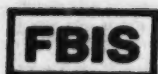


**JPRS 83610**

**6 June 1983**

# **West Europe Report**

**No. 2153**



**FOREIGN BROADCAST INFORMATION SERVICE**

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6 June 1983

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No. 2153

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## PAPER DEFENDS ANTI-TNF MOVEMENT IN NATION

Stockholm DAGENS NYHETER in Swedish 4 Apr 83 p 2

[Editorial by Olle Alsen]

[Text] The churches' petition drive for peace and disarmament, which began last October and ended on Easter, seems to have gathered just under 1 million signatures, although they had hoped for 2 million. Even 1 million would have been many, but not particularly impressive in a country in which private organizers managed to attract 100,000 people to Goteborg during the international wave of demonstrations against the nuclear arms buildup in Europe--a wave that received new impetus in Great Britain and West Germany during the Easter season.

As Bishop Lars Carlzon of Stockholm pointed out, the text of the petition used in the churches' peace campaign was much too banal and watered-down. Who is against peace and disarmament in general? Who can be motivated to run to church to demonstrate for the obvious? Rivalries and distrust within the church also played a part in the outcome. The commanders of the army and the air force signed, but not the commander in chief of the armed services, etc.

But most of the credit for the semi-failure of the churches' peace campaign must go to the Conservative Party. Ulf Adelsohn was the only party leader who refused to participate (Heaven forbid! After all, Lars Werner of the Left Party Communists signed the petition). As usual, it was whispered in the wings that such emotional manifestations for peace could only benefit the Russians.

The day after Easter in Ystad, chairman Gunnar Hokmark of the Conservative Youth League even stated that the "so-called peace movement" demonstrated not only against American nuclear weapons that did not yet exist, but also against demands that the Soviet nuclear weapons already deployed be removed.

If Hokmark has managed to find demonstrators of this unusual stripe they could not have been numerous and, in any event, they were not typical of the "so-called" peace movement in Europe.

Of course it is probable, even certain, that Moscow and its lackeys are trying



to foment and manipulate the fear of a continued nuclear buildup on the continent for its own anti-American purposes, but it is just as certain that Washington and its lackeys are trying to cast aspersions on antinuke protests by calling them communist inspired.

To be sure, it would be a serious mistake for the peace movement to close its eyes to the danger of being manipulated by one side in the super-power poker game, but it would be even more serious if it allowed itself to be silenced, embarrassed, and made passive by the constant talk of this risk.

Of course, among those who marched and sang at Greenham Common and in the streets of Germany were professional demonstrators, communist sympathizers, hysterical women, and all the others their opponents rave about, but most of the people there, and millions behind them, are ordinary adult, independently thinking, and concerned Europeans. The Conservative Party in Sweden condemns itself to extremism if it merely condemns the "so-called peace movement."

9336

CSO: 3650/159

PEACE MOVEMENT GROWS, APPARENTLY UNAFFECTED BY SUB REPORTS

Peace Groups' Numbers Growing

Stockholm DAGENS NYHETER in Swedish 8 May 83 p 10

[Article by Harald Hamrin: "Despite Submarine Affair Peace Movement Grows"]

[Text] How has the submarine affair influenced the Swedish peace movement? Has it grown in size or lost ground? Has the will for defense grown instead? This Sunday's insight is about the peace movement. When the threat of war grows—or is believed to grow—people become afraid. Some meet the fear with growing confidence in military defense—the so-called will for defense is strengthened. Others join the peace movement, the organized membership and unorganized following of which is growing more and more.

This model has been clearly discernable in Sweden during recent years, and it is probably going to become even clearer during the coming months in step with the continuous and repeated submarine violations, and as a result of the report by the submarine commission in which the Soviet Union was designated as guilty of several gross violations of Sweden's neutrality.

Five years ago the largest Swedish peace organization, Swedish Peace and Arbitration Association [SFSF] had about 30 local chapters and about 2,000 members. Today the number of chapters has grown to 90 with 13,000-15,000 members.

At the same time opinion polls, conducted at the request of the National Psychological Defense Planning Committee, disclosed a growing confidence in the Swedish military defense and its peace keeping and deterrent ability. The volunteer defense organizations have new wind in their sails. Conscripted youths show a motivation which has not been seen for 10 years.

A similar development can be seen in several countries in West Europe.

## Five Factors

What has happened, and at what point did the swing begin away from the generally skeptical attitude of the 60's and early 70's toward military defense, and at the same time—as a paradox—the low level of following within the peace movement?

- An important factor has been the crisis in the policy of relaxation of tensions, which first became noticeable around the middle of the 70's, and which was further sharpened by the Soviet Union's invasion of Afghanistan in December 1979.

- The debate about the American so-called neutron bomb in 1977—a bomb which was intended to be used against invading Soviet tanks in West Europe—brought to life new apprehensions about a war between the superpowers limited to Europe.

- These apprehensions were further encouraged by a number of American statements at the beginning of the 1980's and the possibility of fighting a limited nuclear war.

- At the end of 1979 NATO composed its so-called dual decision on stationing a new generation of American medium range nuclear missiles in West Europe.

- For Sweden's—and the Nordic countries'—part there came in the summer of 1980 a series of all the more startling submarine violations which culminated in the grounding at Karlskrona in 1981 and the Harsfjarden incident of 1982. These violations brought new arguments and counter-arguments to the debate about the assumptions and conditions for a Nordic nuclear-weapon-free zone.

## 'Giant Wave'

"The neutron debate of 1977 was the beginning of a wave of peace activity around Europe," said Rainer Sani in the SFSF to DAGENS NYHETER. "New members even began dropping in on us. Then came NATO's dual decision in December 1979, and then came a giant wave of new members to the different peace organizations."

In Sweden it was at first just SFSF, the oldest and largest peace organization, which saw its membership grow. From only about 2,000 members at the end of the 1970's, SFSF has grown to 15,000 members today.

Only less than one week after U-137's grounding off Karlskrona in the fall of 1981, about 1,000 people applied for membership in SFSF. A similar interest in SFSF can be noted now, just after the report of the submarine commission, even though no exact figures are yet available.

"In the first place it is youths from high schools and universities who are applying to us," said Santi. "It is largely a question of the same phenomena as in other countries in West Europe. A West German investigation has showed, for example, that the peace organizations in the first place recruit their members among well-educated youths.

#### All Are Growing

Also other peace organizations have grown during recent years, if not to the same degree as SFSF.

- The International Women's Organization for Peace and Freedom has more than doubled its number of members during recent years, from about 1,000 to over 2,000.

- Christian Peace Movement has also during the past couple of years grown from 1,000 to about 4,000.

- Women For Peace also shows an increase, though somewhat less. From less than 2,000 in 1980 to more than 2,000 today.

- The Swedish Peace Committee consists of the collective joining of organizations in which comparable figures are harder to obtain. But a certain increase in the number of individual members--perhaps 2,000--can still be confirmed.

Also outside the established peace organizations there is widespread increased interest in peace questions.

In schools "theme days" and "theme weeks" for peace are arranged. Invited experts lecture about the arms race in the world. SFSF and Save the Children are active in the schools.

#### 780,000 Names

The churches in Sweden last fall started collecting names for peace and disarmament. In connection with the large meeting of the world churches in Uppsala at the end of April the collected lists were delivered with a total of 780,000 signatures. That is certainly much less than the Action For Christendom in the Schools (1963), or the Five Party Roll Call Against the War in Vietnam (1973) succeeded in collecting--2.2 and 2.6 million names respectively--but still an impressive expression of opinion.

If the growth of the peace organizations is one side of the coin, it also however has another side.

The National Psychological Defense Planning Commission has, in two investigations in the spring and fall of 1982 revealed a growing will for defense



during recent years. In Sweden the impression of the Soviet Union and its foreign and defense policies has undergone a marked change since the beginning of the 1970's. The view of the Soviets today is strongly negative.

At the same time the confidence in the ability of the Swedish defenses to guard the peace has grown from 31 percent of those asked in 1978 to 54 percent in the fall of 1982. An entire 78 percent answered yes in the fall of 1982 to the question of whether Sweden should offer armed resistance in case of an attack--1977 and 1978 the corresponding figure was 68 percent.

#### **'The People's Issue'**

Representatives for the two different sides of the coin also have, hardly surprisingly, entirely different views of what concrete conclusions one should draw from, for example, the submarine violations of Swedish waters during recent years.

While the submarine commission, four of the five Riksdag parties, the military leadership and probably also a large part of defense oriented Sweden believe that antisubmarine protection should be strengthened, the SFSF, for example, reasons to the contrary.

"We condemn the violations just as strongly as anyone else," said SFSF's chairman Thomas Magnusson. "But we are critical that Sweden reacts in exactly the same way as any superpower would have done: with a demand for better weapons and a threat to sink the submarines."

He believes that the violations and the official Swedish reaction are really only symptoms of something more important: that the politicians are not able to handle the crisis in relaxation of tensions. Therefore it must be the people's issue to take charge of and demand relaxation of tensions and disarmament.

He also gives three possible reasons for the Soviet violations and draws the following conclusions as to how Sweden should react to them.

- If the Soviet violations are intended to demonstrate lacking confidence in Sweden's neutrality policy, Sweden should shut down the JAS [Fighter-Attack-Reconnaissance aircraft] project, which has become 50 percent American.
- If the violations are an expression of the Soviet need of spying on the Swedish defenses, then these should be shut down, since then the need for espionage would not exist.
- If the Soviets see a need for protected bases for their submarines in the Swedish archipelago, then there is such a strong and definite military need that Sweden, having a small nation's defenses, can do nothing about it.

What comes out is therefore a picture of a growing polarization of views on the Swedish defense, its tasks and its possibilities.

#### GDR Turns Back Peace Delegate

Stockholm DAGENS NYHETER in Swedish 9 May 83 p 16

[Article by Harald Hamrin: "GDR Stopped Swedish Delegate"]

[Text] West Berlin--One of the official Swedish delegates to the large peace meeting in West Berlin was stopped on Sunday morning by the East German Border Police in Sassnitz. Rainer Santi, from the Swedish Peace and Arbitration Association in Stockholm was forced to take the ferry back to Trelleborg.

Santi joined a group of Swedes who were on their way by train through the GDR to West Berlin where the West European peace movement's largest meeting so far is being opened on Monday. None of the other Swedes were stopped.

It is assumed that the transit prohibition for Santi is related to the fact that he has had contacts with the alternative not officially sanctioned peace movement in the GDR. Among others, Santi has met with church and other peace groups at the grassroots level.

#### First Peace Organization Admitted by USSR

Stockholm DAGENS NYHETER in Swedish 11 May 83 p 16

[Article: "Unique Visit: Swedish Peace Organization in Soviet Union"]

[Text] The Swedish Peace and Arbitration Association has, as the first western peace organization, been able to visit the Soviet Union with the approval of the authorities. At the end of April the Soviet ambassador in Stockholm gave the go-ahead. The hosts were the Soviet Peace Committee.

The Swedes also wanted to meet the independent peace group which calls itself The Moscow Group for Trust Between the USA and the Soviet Union. The Soviet Peace Committee rejected the thought at first as an "inhospitable gesture," and worked against such contact. But finally the Swedes could visit the nonofficial group unhindered. A report on Soviet peace work will be published soon in SVENSKA FREDSS.

9287

CSO: 3650/183

## BRIEFS

ARSON SUSPECTED IN ASOKE—The fire which broke out a little after midnight at the Supreme School of Economic and Commercial Science [ASOKE] is suspected arson by "Molotov" bombs. This is the conclusion reached by the Athens General Security and the Fire Service following a preliminary investigation they made at the office housing the institution's records. An officer of the Fire Corps said that "a bottle filled with gasoline with cotton in its mouth, a Molotov bomb, was found. We believe that it is an incendiary mechanism. The bottle has been sent [to the laboratory] for study and the investigation continues." Yesterday afternoon, representatives of the student organizations "Pan-Student" and "Democratic Struggle" as well as members of the administrative council of the ASOKE students' society condemned the incendiary attempt and pointed out that such actions aim only at creating a climate of uncertainty and defamation of the student movement. [Excerpt] [Athens ELEUTHEROTYPIA in Greek 24 Apr 83 p 1] 7520

CSO: 3521/299

## BRIEFS

**BIOGAS-PRODUCTION FEASIBILITY CLAIMED**—An annual production of biogas equivalent to 400,000 oil tons could be produced in Finland in connection with waste treatment, states a report compiled by the Ministry of Trade and Industry. This is approximately 1.6 percent of our country's present energy consumption. According to the report, the use of biogas is feasible only in large agricultural pig farms and barns with the existing production equipment. The use of biogas is supported by environmental protection considerations connected with its production. Of the total production of biogas, approximately 75 percent is tied to agricultural waste, 11 percent to waste from communities, and approximately 14 percent to industrial waste. According to the report, at the present time only 5 percent of the biogas originating from agriculture is feasible to exploit. The use of biogas in agriculture is limited by the rather large investment expenditures for production plants as well as by the difficulties involved in selling gas exceeding one's own needs. In the report it states that the use of gas could be increased by procuring a common biogas reactor and station for several farms as well as by making the marketing of surplus energy to neighboring farms and local energy plants more effective, for example. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 29 Apr 83 p 31] 10576



## CDF SETS UP COAL RESEARCH PLANT AT MARZINGARBE

Paris SEMAINE DE L'ENERGIE in French 22 Mar 83 pp 13-14

[Article: "National Coal Testing Center at Mazingarbe"]

[Text] French Coal Company [CDF] conscious that the success of a coal policy is related to the development of the coal market, has decided to create a modern coal test facility complex.

The long coal tradition of the Nord region, the support of the region for the project, the favorable industrial climate have resulted in selection of the Mazingarbe site for the construction of this complex.

The role of this complex is basically:

- to contribute to further improving coal combustion techniques, as well as the handling, preparation and processing equipment;
- to study the variations of the performances of facilities and to define the optimal conditions of use, depending on the characteristics of the coal;
- to help in the training of personnel for the design, improvement and exploration of these new techniques;
- to assemble research and development programs in the area of coal gasification.

This complex, a real center of attraction in the technological effort on the subject of techniques for using coal, will be open to industry, to users, to researchers.

Three types of equipment will be installed: research apparatus, test and industrial demonstration facilities, pilot units.

The complex will include four coal yards, and handling sites served by rail, a site for the preparation of powdered coal, a 1,200 m<sup>2</sup> building for boilers.

A surface is left available for the later construction of a fluidized bed boiler pilot and an industrial gas generation pilot.

The total cost of this complex is set at Fr 50 million. For 1985 Cerchar [French Coal Company Research Center] predicts employment of at least 60 persons.

## GEOTHERMAL ENERGY EXTRACTED FROM 5,000 METERS BELOW SURFACE

Paris LES ECHOS in French 11 Apr 83 p 12

[Article by Jean-Pierre Reillac: "Limousin: Energeroc: Fr 200 Million Invested in a Geothermal Experiment"]

[Excerpts] The first French experiment to extract energy at 4,000 and 5,000 meters underground has been attempted in the Creuse. Preliminary soundings are currently taking place at Chatelus-le-Marcheix, the site selected by the National Institute of Astronomy and Geophysics, EDF [French Electricity Company] and the French Petroleum Company. The three partners are associated in an Energeroc project in which EDF is the majority partner.

A Fr 200 million program has just been launched, half financed by the partners who are specifically counting on the support of the French Agency for Energy Management and the European Communities. [...]

The French technique developed by 10 years of research at the National Institute of Astronomy and Geophysics, consists of making two holes 4,500 deep, 400 meters apart. Then, water at very high pressure is injected to reactivate the natural fractures in the rock and to enlarge them. The water circulates and produces steam.

Energeroc also hopes to create an energy reserve of 500,000 square meters in the Creuse underground, enough to produce steam for a quarter of a century at the rate of 25 cubic meters per hour.

Less Than a Franc Per Kilowatt

If the Creuse Energeroc test is positive, EDF will go on to an operational phase by creating production zones of approximately 20 MW. The advantage of this process is to obtain non-polluting energy near cities or industrial centers. This "home energy" promises to be cheap with a cost of less than a franc per kilowatt (it is FR 1.60 with fuel oil).

The large investment is in the drilling and the pressurized injection of water to constitute the steam reserve. At the exit, only a turbine is needed to use it.

The Energeroc promoters say that their process does not destabilize the underground. However, they have avoided hot springs areas, such as the Voges, one of the site location areas, Brittany and the Massif Central. Finally, the Creuse is in competition with the Margerides plateau in the Cantal. Easier access, and an absence of snow in winter have been economic arguments that have tipped the scales in favor of Catelus-le-Marcheix. A good deal for the Creuse which hopes to derive economic arguments from it.

9969

CSO: 3519/445

**BRIEFS**

**ELF NIGERIA FINDS OIL--**Elf Nigeria and the Nigerian National Petroleum Co. (NNPC) have discovered gas during new exploratory drilling, called Ofrima 1, says the French petroleum group in its monthly information bulletin for March. The Elf-Aquitaine group also notes an oil discovery in Niger during the Sokor 2 drilling. A new exploratory well, the Sokor 3, is also underway, it points out. Elf is operator for a consortium including Esso and Texaco Niger.

[Text] [Paris L'ES ECHOS in French 7 Apr 83 p 8] 9969

CSO: 3519/445



## SIGNIFICANT DECREASE IN ELECTRICITY PRODUCTION NOTED

Athens MESIMVRINI in Greek 23 Apr 83 p 13

[Excerpt] Significant reduction in the production of electrical energy was noted in 1982 at Megalopolis where the Public Power Corporation [DEI] maintains three units of 650 MW total capacity. This drop was about 40(1) percent compared to 1981 and reached 1,877,510 MWh compared to 3,088,014 MWh in 1981 and to 2,751,852 MWh in 1980! This considerable decrease in production rouses serious questions concerning the country's sufficiency in electric energy.

The table below shows the production of electric current in MWh by the three DEI units in Megalopolis during the years 1978-1982:

Megalopolis Power Station Production in MWh					
	1978	1979	1980	1981	1982
Unit I--125 MW	57,873	624,465	562,116	743,252	393,273
Unit II--125 MW	374,068	771,638	725,855	693,392	466,947
Unit III--300 MW	1,860,704	1,292,158	1,463,880	1,651,370	1,017,290
Total	2,292,646	2,688,261	2,751,852	3,088,014	1,877,510

7520

C80: 3521/300

**DESPITE OPTIMISM INDUSTRY STILL NOT AT 1982 LEVEL**

Helsinki HELSINGIN SANOMAT in Finnish 29 Apr 83 p 31

[Article: "Industry Growth Still Not at Last Year's Level"]

[Text] Industrial growth continues to be more sluggish than a year ago even though the difference is apparently being eliminated. According to the Statistical Center, the rate in February was 1 percent behind the production rate of a year ago.

It is characteristic of the market situation that the decline in the paper industry turned into a slight upswing and the metal industry swung to the minus side.

The Statistical Center's new volume index stopped at the figure 97 in February and showed a full 1 percent drop for the first 2 months of the current year. According to it, industrial production for the first 3 months remained below that of last year.

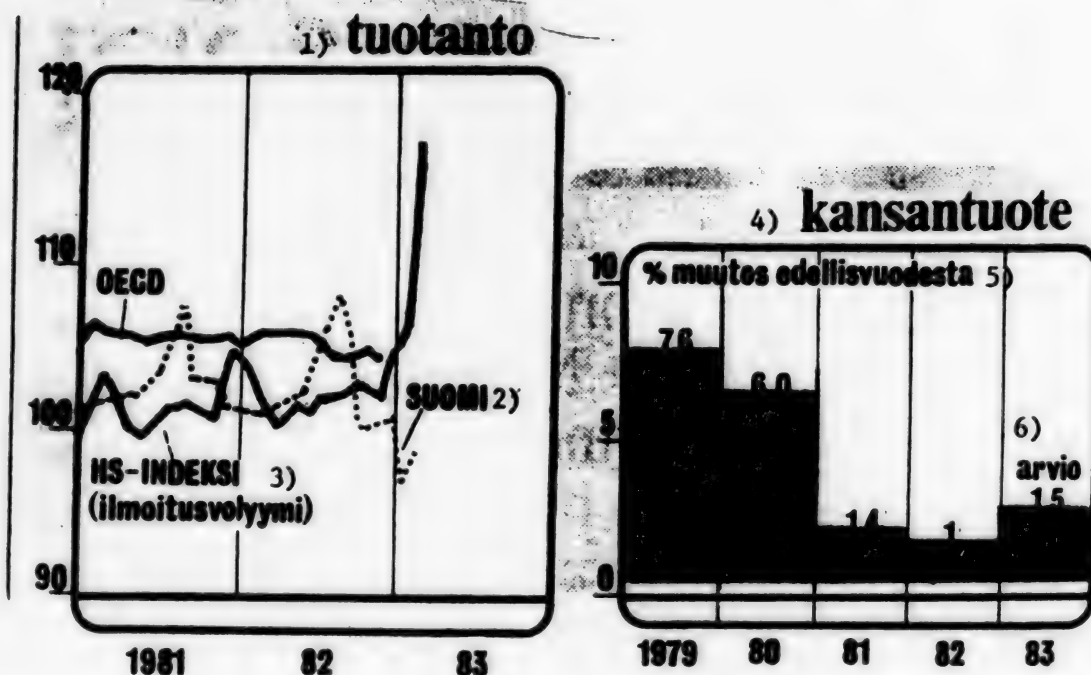
Thus it is probably pointless to expect any improvement in March, but perhaps last year's production rate will be achieved. This would at least seem to be consistent since industry itself believes that the rate will definitely accelerate in April--June.

The wood and paper industry index (89 points) showed a 1.4-percentage increase in February while it registered a definite drop in January. The wood products side showed a slight increase and paper turned from a sharp drop to an increase of a full 1 percent.

Production throughout the whole forest industry has shown signs of recovery since the end of last year.

The metal industry, for its part, showed a slight decline in February, indeed, only less than .5 percent (index 108). The metal industry itself believes that there will be a slow and even improvement until the situation becomes worse at the end of this year.

It seems that the basic chemical industry is clearly doing better than medicines, paints, and technochemical products, in which the drop in production



**Key:**

- |   |                                |
|---|--------------------------------|
| 1. Production                                     | 3. National product            |
| 2. Finland  | 4. % change from previous year |
| 3. HELSINGIN SANOMAT Index (advertisement volume) | 6. Estimate                    |

was drastic in February. The sector producing chemicals and fertilizers recorded an increase.

Drastic declines can still affect the clothing and footwear industry. The downward slide in the footwear plants is still being felt (January -- 23 percent, February -- 36 percent). The decline in the clothing industry was less and also its hopes are brighter.

Some signs of better times have been observed in just the last few days. The production of electricity has increased after a 6-month pause and it is electricity that makes industry work. The money markets have been tightened so that the signs of an upswing have been taken into consideration in the central bank.

Also the curve depicting classified ads in HELSINGIN SANOMAT continues to rise at a sharper rate than expected, even when seasonally adjusted. Thus firms have a sufficient amount of money and desire to place advertisements, which should precede an anticipated economic upswing. Indeed, parallel directions in advertisements and industrial production in economic upturns and downturns, in general, can clearly differ from one another, as is the case now.

There is no need to wait for the economic upturn in other Western countries, and Sweden already believes that it is riding on the same train. The economic locomotives, the United States and the Federal Republic of Germany, have already for some time considered that they are on their way up and among the larger countries are pulling England along with them.

10576

CSO: 3617/113

## OFFICIAL FORESEES TEN PERCENT REDUCTION IN EXPORTS TO EAST

Helsinki HELSINGIN SANOMAT in Finnish 23 Apr 83 p 34

[Article: "Exports to East To Decrease 10 Percent This Year"]

[Text] Tampere—Under State Secretary Ake Wihtol estimated that the total trade volume between Finland the Soviet Union will remain at the 4.8-billion ruble level this year while the original calculations were around 5.1--5.3 billion rubles.

"After an explosive increase in the years 1980—81, the export volume remained at nearly the same level last year, but this year a more than 10-percent reduction is expected. This is expected to cause serious difficulties next year," stated Wihtol, who spoke at the spring meeting of the Clothing Industry Association and the Clothing Industry Employers' Association.

In his opinion, increasing and diversifying Finland's imports would be the best solution in this present oversupply situation.

"The finding of suitable import goods has been difficult, but products have been found in the petrochemical industry, which can be imported into the country in amounts worth several million markkaa."

In Wihtol's opinion the problems of cheap imports have come to stay even in Finland. "The situation is still reasonably under control, but new problems are constantly arising."

"However, problems resulting from imports should not be emphasized too much since this is a question of an area in which exports are triple the value of imports," stated Wihtol. He estimated that the growth of exports will also be directed toward Western markets in the future.

Chairman Eero H. Kestila of the Clothing Industry Administration stated that the uninterrupted 16-year growth of the clothing industry came to a halt in 1982. "The fact that this has happened in nearly all the industrialized Western countries is at the very most a mitigating circumstance in evaluating our own achievements," he estimated.



According to preliminary calculations, clothing production decreased 11.6 percent last year. The number of employees in this industry decreased by approximately 1,000 people, primarily by means of normal attrition.

Also exports decreased, 6 percent in terms of value. The most decisive influence on this was the drop in exports to the East by 17 percent. The Soviet Union represented 37 percent of the Finnish clothing industry's total exports.

Any ideas that record years with respect to exports to the Soviet Union of the kind experienced in 1980 and 1981 could be expected to be repeated in the near future were considered to be unrealistic by Kestila.

"In spite of the problems, the Finnish clothing industry continues to remain quantitatively at a high level," he noted. "Finland produces more clothing than Sweden, Norway, and Denmark together and our exports per resident are the highest in Europe. What hurts is to have to cut back from a good position," stated Kestila in describing the situation.

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CSO: 3617/114

**FORMERLY BOOMING SHIPBUILDING INDUSTRY SEEKS STATE SUBSIDY**

Helsinki HELSINGIN SANOMAT in Finnish 19 Apr 83 p 26

[Article by Jussi Jalkanen: "Shipyards Demanding Emergency Aid"]

[Text] Finnish shipbuilding, which has enjoyed many successful years, is rapidly plunging toward hard times. The industry as well as the workers are demanding emergency aid from the state in order to fatten the thinning order books of the shipyards and to get through this difficult situation. Because of the imbalance in Soviet trade, accelerating trade with the East cannot now be used to keep things going. A solution is once again being sought from support for domestic orders and state procurements.

The shipyards do not readily turn to the state for subsidies, but the present situation is described rather well by a statement made by General Manager Jouko Sere of Rauma-Repola:

"I am not a supporter of permanent subsidies, but now that the situation has come out into the open, the shipyards should be helped to get over the worst," states Sere.

"Order from Silja Already a Precedent"

According to Sere, Finnish export tonnage is experiencing a need for renewal, for which there has not been sufficient daring to accomplish because of the recession in the forest and maritime shipping industries. Sere is astonished at the manner in which Minister Esko Ollila, among others, has emphasized that the interest support given to the Silja Line's order for ferries from Wartsila should not become a precedent.

"It does not need to become a precedent since that is what it already is. No single shipyard and no single shipping firm can be placed in a special position in such a situation. Silja's example is one solution and not at all a bad one. In this way the employment situation at the shipyards would be alleviated and a modern tonnage for the domestic shipping business would be guaranteed," believes Sere.

Also General Manager Tor Stolpe of Wartsila stated already when the Silja order was made public that the present solution may have to be used again in the future.

At this time Finnish shipyards are approximately 90 percent dependent on exports. Of the annual production of 4 billion markkaa, approximately 60 percent is exported to the Soviet Union -- the proportion having been even greater at times because of local support measures as exports to the West declined.

#### "Three Billion Rubles Committed"

The future of our shipyards is built on the basic load which is created by Soviet purchases. The next five-year period begins in 1986. It is difficult to resolve the imbalance in trade in a short time and exporters must live with the uncertainty of fluctuating pieces of the export pie.

Rauma-Repola's Sere wants to remind those negotiating the long-term agreement on trade between our countries. "In it there is a commitment to the shipbuilding industry for deliveries amounting to 3 billion rubles (more than 20 billion markkaa) in the next five-year period and 3.5 billion rubles' worth of trade for the subsequent period. The agreement is a document binding on both countries and we have every reason to trust in it. It is on this basis that the shipyards have been built."

#### Broad Discussions Needed Soon

Shipyards can no longer succeed in the Western markets merely by means of quality and competitive prices. "The Danes are able to offer innovative financing," was the answer to the question, why not from somewhere else, given by the director of a certain shipping firm, which ordered a cruise ship from Denmark.

"An extensive discussion on the affairs of the shipbuilding industry is now needed as soon as possible. It makes no difference in what form a discussion is to take place between the state, the trade union movement, and industry, but the postponement of a dialogue is dangerous. The situation is deteriorating rapidly," states General Director Tapio Forsgren of the Shipyard Industry Association.

The workers have pretty much the same views. Chairman Sulo Penttila of the Metal Workers' Union is demanding the reactivation of the so-called Viita Committee, which functioned during the crisis of the 1970's.

According to Penttila, progress should be made in this matter already during the administration of acting ministers. "Appointments to the committee would not be difficult and it could be activated immediately since its previous experience was positive," states Penttila.

The Viita Committee, which ceased to function in 1977, helped pull the shipyards out of their recession by antedating exports to the East, accelerating orders from the state, and subsidizing domestic orders.

Accelerating exports to the Soviet Union is not now possible, but Sulo Penttila has at least the same solutions in mind.

"State measures can be something other than restoring the economic prerequisites of business firms. It would be expedient if the state would in this situation order future icebreakers, ships for the defense forces, equipment for preventing oil spills, and so on," proposes Penttila and points out that in addition to the 18,000 people employed in the shipyards, this matter also concerns just as many people making a living from subcontracts.

#### Financing Must Be Put in Order

Industry and labor are now promoting the same policy line in the shipbuilding industry. Forsgren of the Shipyard Association as well as Penttila are talking on behalf of more flexible financing.

"There are many issues to be resolved, but uppermost are those measures by which financing can be made in order to encourage domestic orders. Domestic shipping firms would, indeed, have projects if financing for domestic production or the conditions for the so-called ktr-credits could be improved with respect to future orders for cargo and cruise ships also," states Forsgren.

Sulo Penttila compares the situation to other countries, in which much more has been done than in Finland to reduce capital expenditures during the construction time of ships.

"We have heard from the Japanese labor movement that there capital during the construction phase is interest-free," he states.

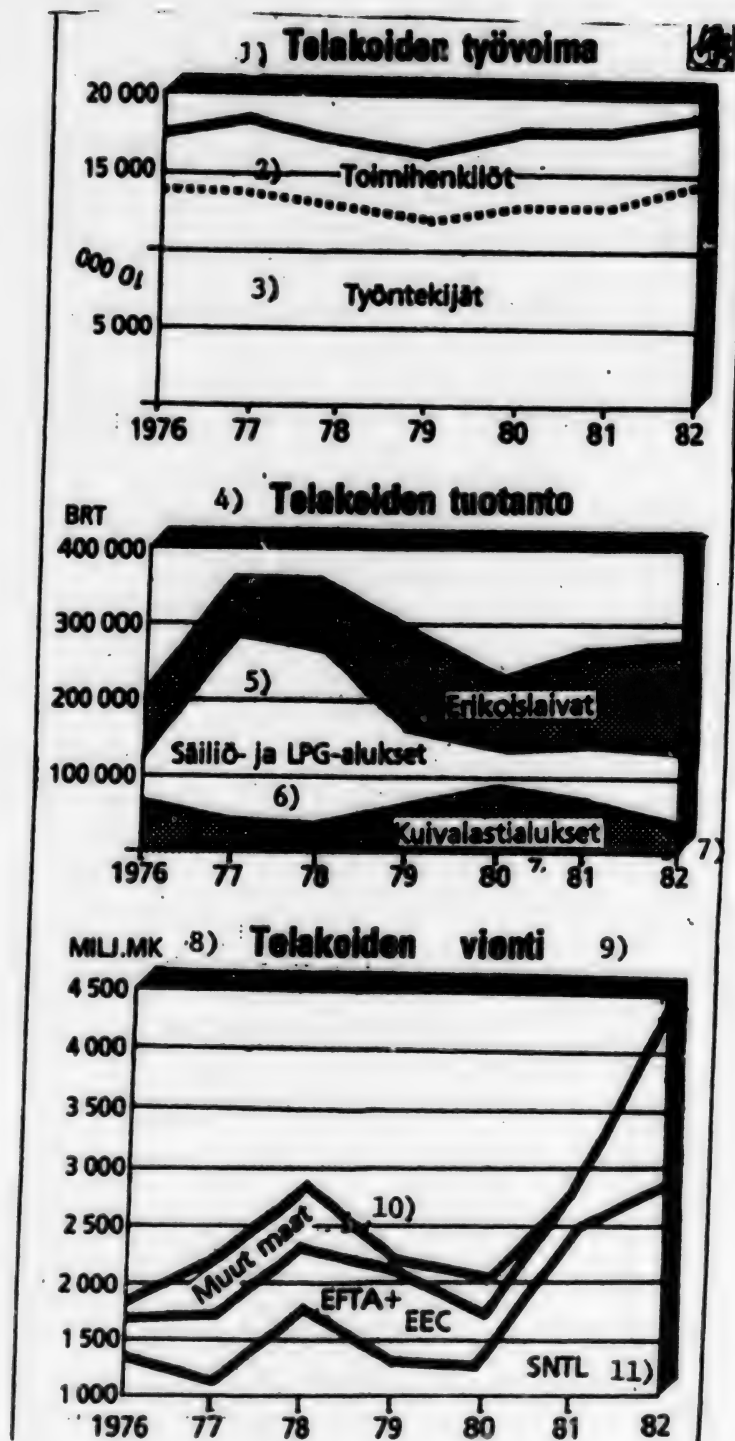
One of the secrets of the success of the Finnish shipbuilding industry is that employees have been kept on the payroll even during hard times.

Sweden's failure was in part caused by the fact that skilled workers went to other jobs in connection with reductions and it was not easy to get them back when orders began coming in again. A shipyard cannot function as a part-time employer. Furloughs, which cause reduced productivity as the work rhythm is interrupted particularly in specialized production, are just as damaging.

#### Number of Workers Will Not Be Increased

In the last 10 years the number of workers employed by Finland's shipyards has remained relatively stable. During the recession of 1975, the shipyards employed approximately 18,000 people. The lowest point of the recession reduced the number of personnel to 15,500, which has since risen to approximately 18,000.

"I can no longer predict future growth and it should not be considered an objective since over the long run additional capacity would be unhealthy. I believe that from this point there will be a gradual decline," estimated Tapio Forsgren.



**Key:**

- |                             |                             |
|-----------------------------|-----------------------------|
| 1. Labor force at shipyards | 6. Container- and LPG ships |
| 2. White-collar workers     | 7. Dry cargo ships          |
| 3. Blue-collar workers      | 8. Billions of markkaa      |
| 4. Production at shipyards  | 9. Exports from shipyards   |
| 5. Specialized ships        | 10. Other countries         |
|                             | 11. USSR                    |



## A Difficult Autumn Without New Orders

In spite of the difficulties, Finnish shipyard firms want to prevent a crisis atmosphere. The continuing decline in orders will cause difficulties for the next couple years, but the foundation of the shipbuilding industry is still in good condition. The Finns are operating in areas in which demand is relatively stable and independent of market fluctuations. These areas of production are, among other things, icebreakers, passenger ships, and research ships.

Also a good reputation in the world is an advantage to the Finns. Production has become specialized to the degree that is possible in the building of ships. The absence of state support at least until the most recent order from Silja is also a positive factor -- there is confidence in the operational capacity of an industry operating on a healthy foundation.

For example, England's shipbuilding industry, which is languishing in a hopeless crisis and complete state support, lost a significant passenger ship order last week since it was not able to assure the client that the ship would be completed within the specified time.

However, there are a number of problems lurking behind this faith in the future. In Soviet trade we have already traditionally become accustomed to a rhythm which always results in a decline in orders at the end of a five-year period. This has been possible to predict, but now the situation cannot be adjusted by moving up future orders because of the trade imbalance.

"In the past the slump in exports to the Soviet Union has coincided with a reasonable situation in the Western markets. Now the situation is as bad as it was at the end of the 1970's. The West is also experiencing a recession," states Mikko Niini, the head of the sales department at Valmet's shipyard.

Concisely stated, the Western markets are now completely saturated as far as the Finns are concerned. The large countries which have specialized in large ships are now building small ships at lower prices.

"Orders would be obtainable, but at what price?" states Niini in describing the situation. Nevertheless, the situation is not hopeless. It is now difficult to get shipyard executives on the line since they are flying around the world after new orders. There are a surprisingly large number of inquiries considering the overall market situation in the world.

## 1985 Will Be the Most Difficult

Except for Wartsila, the situation in Finland's shipyards is quite uniform. Wartsila's order books are full in Helsinki as well as in Turku until the end of 1984. The year 1985 will also be difficult for Wartsila since the current year has not produced any reserves of orders.

After 1985 it is believed that the situation will once again improve at Wartsila. The new five-year Soviet trade plan includes ships which are suitable for Wartsila. The firms also believes that cruise ships will offer new work.

#### Difficulties in Fall Without Orders

Production will begin to decline this year already at the other shipyards.

There is enough work at Valmet's Vuosaari Shipyard until the end of 1984. However, new orders should be obtained before autumn if the shipyard is to avoid employment problems. The situation is slightly better at the Turku Shipyard of Laivateollisuus and work is sufficient to last until the beginning of 1985.

Also Rauma-Repola should receive new orders at its shipyards in Rauma and Uusikaupunki by summer at the latest so that work can continue uninterrupted. Layoff warnings have not been issued even though 130 employees over the age of 55 at Rauma are being offered early retirement.

The situation is normal at Repola's Mantyluoto and Savonlinna shipyards according to the company even though Mantyluoto is temporarily operating at less than full capacity.

#### "We Must Be Able to Develop"

Thus the shipyards believe in their future, but they will not succeed without diligent efforts. "Attention must be given to the latest developments, and we must also be able to predict the future market situation. It is also important to abandon the production of ships for which demand is weakening in sufficient time," stated Director Christer Landtman of Wartsila's Shipyard Group.

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**UNEMPLOYMENT EXPECTED TO RISE TO SEVEN PERCENT**

Helsinki HELSINGIN SANOMAT in Finnish 22 Apr 83 p 35

[Article by Kristiina Ritvos: "Unemployment Declined, Job Openings Increased"]

[Text] In March the number of unemployed clearly declined a little from the February figures and at the same time the number of job openings increased. At the end of the month there were 154,905 unemployed and 11,336 job openings. The proportion of unemployed in the labor force or the unemployment rate dropped to 6.6 percent.

Seasonally adjusted unemployment improved a so However, the Labor Ministry warns against excessive preoccupation with the course of this curve since it will be affected by a change in the method of calculating unemployment in the 1980's.

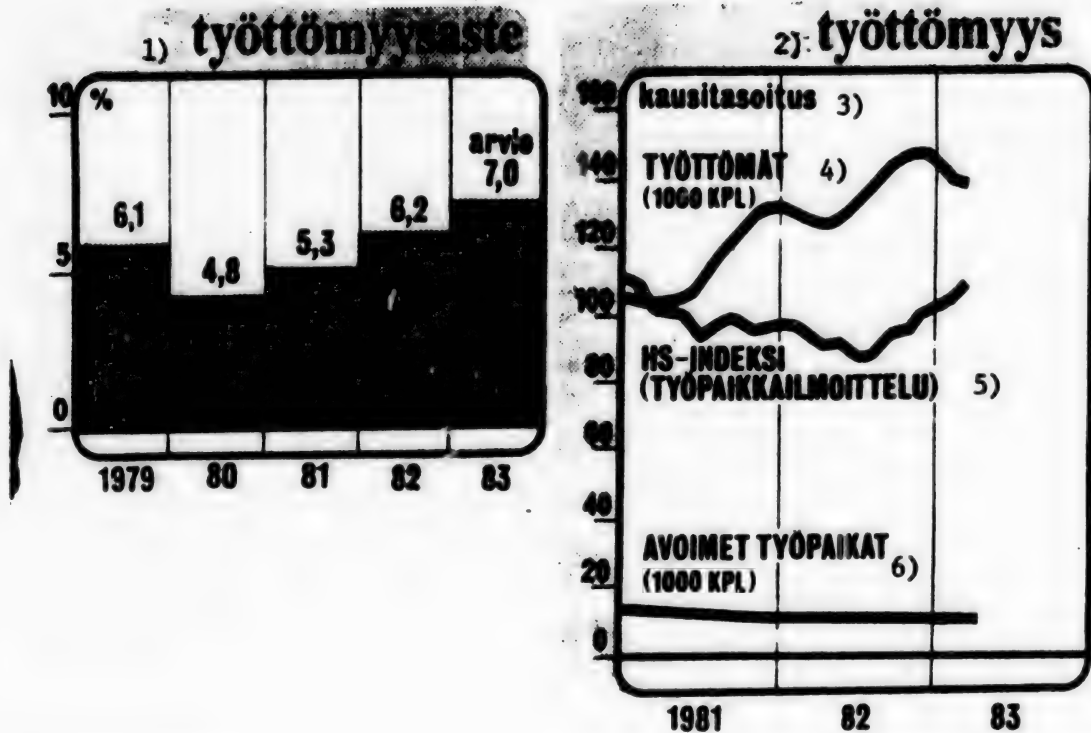
On the other hand, the job placement ads in HELSINGIN SANOMAT continue to predict improving employment prospects. This was particularly evident in March.

Unemployment was increased by the expected compulsory vacations issued to 4,400 people. Those on "skiing vacations" have apparently returned to work. The number of those on compulsory vacations is now 19,480 and it is doubtful that the situation will become worse. The winter season brought fewer layoffs than what were expected in the fall.

Even though unemployment is being alleviated, it is still worse than a year ago. Unemployment has increased in all areas except construction, in which the situation continues to be exceptionally good particularly in the south.

Construction is being accelerated by business and public construction and it is expected that industrial construction next winter will help to alleviate unemployment in this area.

The imposing unemployment differences between various parts of the country reinforce the concept of how little the recession is being felt in the south. While in Helsinki the unemployment rate is 2.4 percent, it is 14 percent in Kajaani and 13.4 percent in Rovaniemi.



Key:

- |                        |                                       |
|------------------------|---------------------------------------|
| 1. Unemployment rate   | 4. Unemployed (in thousands)          |
| 2. Unemployment        | 5. HELSINGIN SANOMAT Index (want ads) |
| 3. Seasonal adjustment | 6. Job openings (in thousands)        |

#### Long-Term Unemployed A New Problem Group

At the same time that youth unemployment is being alleviated, a new problem group is growing out of the long-term unemployed

The majority of the unemployed receive work within 6 months, many within 2 months. Rapid changes in the economy place people on the unemployment rolls for a short time before a new job is found. This development has partly contributed to the new level of unemployment figures in recent years.

The new jobs are also becoming more demanding and nearly all of them require special skills. The so-called any man's job is disappearing.

The unemployment files are being threatened by an inundation of the growing group of long-term unemployed from recession to recession, unemployed who are not suitable for jobs even in good economic times.

It is even possible that in the future we will have a significant labor shortage and a significant number of unemployed at the same time.

The so-called Rinne Work Group formed to halt long-term unemployment has proposed that a subsidy be paid to those enterprise which employ the long-term unemployed since current employment measures do not seem to have any effect on this group.

Long-term unemployment is substantial in the Tampere area where industrial jobs have been drastically reduced. Nearly every fifth unemployed worker in this area has been unemployed for more than a year, which is the present limit of long-term unemployment.

The newness of this problem is characterized by the fact that 10 years ago one was considered to be among the long term unemployed already after a couple months

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## FORECASTING GROUP ANALYZES DEVALUATION EFFECTS, 1983-85

Paris LE MONDE in French 3-4 Apr 83 p 15

[Article by Raymond Courbis and Andre Keller: "The Effects of Inflation and of the Austerity Plan: Answer From the Computers"]

[Text] The economic policy followed in France since June, 1981, though it has maintained economic activity, nevertheless has had the effect of worsening our trade balance and accelerating inflation. This led to the need for two readjustments of exchange rates within the EMS [European Monetary System], which took place in October, 1981, and June, 1982. Taking these readjustments into account, we find that the total impact of French economic policy produced a deterioration of 45 billion French francs in terms of the 1982 trade deficit. If this had not happened, the trade deficit would have been 48 billion French francs (instead of the 93 billion French francs actually recorded).

As these measures continue to have their impact, we can understand that a third readjustment became necessary, which led to a new devaluation of the French franc by 8 percent, in terms of the German deutschemark. Will the third devaluation have a favorable impact? In Table 2 appearing below--calculated in terms of the MOGLI model\*--we see the 1983 and 1984 results of this third devaluation of the franc, as well as the impact of the two preceding devaluations.

Unquestionably, economic growth was stimulated. The improvement in competitiveness involved an increase in the volume of our exports over the short term. However, on the other hand, the devaluation of the franc--unless accompanied by a new price freeze--has the effect of accelerating the rise in prices, which tends to reduce the beneficial effects over the short term, particularly as far as competitiveness is concerned. At the same time the resulting increase in domestic demand which accompanies the recovery of production worsens the tension between supply and demand.

For these different reasons the acceleration in the growth of export volume rapidly leads to deceleration in exports to such an extent that, overall the total export volume in 1984 will only be about 0.3 percent higher than what it would have been in the absence of a new devaluation of the franc. The insufficiency of productive investment over the last few years will have a major impact,

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\*The MOGLI model is a multi-sectoral, econometric model of the French economy.

especially since the reduction in working hours in 1982 had the consequence of reducing utilization time of factory equipment and the potential supply of goods.

It also appears--because of the insufficiency in the supply of goods--that the third devaluation of the franc will be less effective than the preceding devaluations in terms of growth and the trade balance in terms of volume. On the other hand, the cost of imports will be directly increased, and the effect of this will finally be an increase of 10 billion and 15 billion francs in the trade deficit in 1983 and 1984, respectively.

However, at the same time the negative effects of the first two devaluations will continue to make themselves felt in 1983 and 1984. Their impact will be to increase the 1983 and 1984 trade deficits by 35 billion and 28 billion francs, respectively (as against a deficit of 18 billion francs in 1982). The effects of domestic economy policy followed from June 1981, to the autumn of 1982 will be the same. We have calculated their impact as increasing the 1982 trade deficit by 27 billion francs (not taking into account the readjustments in the EMS). For 1983 the remaining impact will probably increase the trade deficit by 42 billion francs.

Certainly, the decline of about 15 percent in the dollar price of a barrel of oil will be a favorable factor. However, we should take into account here the fact that, on the average, the U.S. dollar was only worth 6.57 francs in 1982. The impact of the "dollar shock" will make the French trade deficit about 10 billion francs higher in 1983 than in 1982, without considering the rise of the dollar against the franc which resulted from the readjustment of the EMS exchange rate parities in March, 1983.

For all of these reasons, instead of improving, the French trade deficit would have amounted to 90 billion francs in 1983 if a corrective policy had not been implemented.

As the supply of goods can only be slowly stimulated, the only remedy was to reduce domestic demand. However, it was important to avoid discouraging productive investment in order to avoid the effect of once again mortgaging the future.

Thus, we can understand the purpose of the measures adopted on 25 March 1983 to accompany the devaluation of the franc on 21 March. They were specifically aimed at reducing public consumption and demand (see LE MONDE of 27-28 March on this subject). [For translations of these articles see FBIS Western Europe Daily Report Vol VII No 068 dated 7 Apr 83 pp K10, K11.] These measures had the immediate effect of decelerating economic growth (by 0.5 percent in 1983). However, exports were stimulated (by 0.7 percent in 1983). In effect, the reduction of domestic demand made it possible to free productive capacities for export.

Although disposable household income will be cut by 25 billion francs in 1983, the impact on household consumption will be only slight: a reduction in consumption of 0.3 to 0.4 percent, respectively, in terms of volume in 1983 and 1984. That is easily explained: econometrics shows that an increase in direct taxation (or a forced loan) has a much greater impact on savings than on con-

sumption. The measures adopted will thus lead to a decline of 0.6 percent in the household savings rate in 1983. This lessens the effect which the decline of disposable income has on consumption. At the same time the limits applied to tourist travel abroad will lead to increased vacation expenditures in France. On the other hand the increase in charges to the public and of taxes on petroleum products will discourage consumption.

As domestic demand declines, whether in the form of household consumption or public demand, that will have the effect of improving the trade balance: by 17 and 22 billion francs in 1983 and 1984. The impact of the "related measures" on the trade balance will therefore do a little more than compensate for the unfavorable impact of the third devaluation of the franc. The overall effect will therefore be favorable: deficits in the trade balances for 1983 and 1984 which will be 6 billion and 7 billion francs less, respectively.

Although they are favorable, the effects of the "related measures" adopted on 25 March in terms of the trade balance will be insufficient to compensate completely for the results of the domestic economic policy followed in 1981-82 and the effects of the different devaluations of the franc. Despite the favorable impact which the recovery of the world economy could have on our foreign trade, the deficit in the French balance of trade will continue to be high in 1983: it could amount to 75 to 80 billion francs this year, or substantially more than the official objective of 45 billion francs.

In 1984 the trade deficit could decline slightly, but the extent of the measures adopted to restrain domestic demand will not be enough to balance our trade completely between now and the end of 1984. For 1984--unless consumption is further reduced--the trade deficit should still be in the neighborhood of 50 billion francs.

Bringing our trade back into balance can only be achieved very slowly. Therefore, France's external debt will continue to increase. However, the increase in the resulting interest charges will make it still more difficult to re-establish equilibrium in our balance of payments. The question is whether a substantial increase in external debt can continue for much longer, without resulting in a serious financial crisis. This kind of uncertainty will not fail to have a negative impact on the franc which, in the absence of an adequate recovery of the French economy, will probably reach its permissible "floor" exchange rate in 1984.

By 1985, in order to re-establish our trade balance, we would have to lower the volume of household consumption by about 5-6 percent, which would involve reducing real household income by 7-8 percent (over and above the reductions that have already taken place). To have an effective impact on consumption, it would be necessary to have a direct impact on the purchasing power of primary income and social transfers. However, it would be only proper for any strengthening of the austerity policy to affect all of the French people, and not principally those with salaried incomes, as the recent measures which affect taxable income have done.

(1) **L'investissement va baisser en 1983 et 1984**

(en % et en volume)

Table 1

Key:

	1982	1983	1984
(2) ● PIB marchand .....	1,5	1,1	0,3 (1)
(3) ● Importations .....	3,6	2	1,2
(4) ● Consommation des ménages .....	3,4	1,2	0,1
(5) ● Investissement .....	- 0,9	- 3,5	- 3
(6) ● dont : Entreprises .....	+ 1	- 3,7	- 4,1
(7) ● Exportations .....	- 2	5,4	4,1
(8) Prix : moyenne annuelle .....	12 %	9,6 %	10,2 %
(9) Croisement (décembre/déc.) .....		10,2 %	9,8 %
(10) Revenu disponible des ménages (en volume) .....		+ 0,2 % (2)	+ 0,1 %
(11) Balance commerciale (en milliards de F.) .....	- 95	- 75	- 53
(12) Besoin de financement extérieur .....	115	101	90
(13) Demande d'Emploi			
(14) En moyenne .....		2 105 000	2 265 000
(15) En fin d'année .....		2 140 000	2 130 000

(1) Investment Will Decline in 1983 and 1984 (in Percentage and Volume)

(2) Gross Domestic Product in Merchandise

(3) Imports

(4) Household Consumption

(5) Investment

(6) Of Companies

(7) Exports

(8) Price Trend (Annual Average)

(9) Slippage (from December to December)

(10) Disposable Household Income (in Volume)

(11) Trade Balance (in Billions of francs)

(12) External Financing Needs

(13) Unemployment

(14) On the Average

(15) End of the Year

(16) Taking into account a partial indexation of salaries to prices.

(17) Taking into account the forced loan.

(18) The above table contains the forecasts of GAMA for 1983 and 1984. These take into account the various effects of economic policy (devaluation, related measures, increase in the dollar exchange rate) which are analyzed in the article by Raymond Courbis and Andre Keller, effects which are measured in Table 2. Thus, for 1983 the overall effect of devaluation and the austerity plan is an acceleration of 0.4 percent in economic growth, measured in terms of the Gross Domestic Product (Table 2). This consequently rose to 1.1 percent (Table 1).



(1) **II. Incidence sur l'économie française des trois dévaluations du franc  
et des mesures d'accompagnement de mars 1983**

	(2)		(3)		1983		(4)		(5)	(6)	(7)	(8)	(9)
	(1) Effets des dévaluations d'octobre 1981 et juin 1982	(2) Effets de la dévaluation de mars 1983	(1) Effets des mesures d'accompagnement de mars 1983	(2) Effets de la dévaluation de mars 1983	(3) Effets des mesures d'accompagnement de mars 1983	(4) Effets totaux = (1) + (2) + (3)	(1) Effets des dévaluations d'octobre 1981 et juin 1982	(2) Effets de la dévaluation de mars 1983	(3) Effets des mesures d'accompagnement de mars 1983	(4) Effets totaux = (1) + (2) + (3)			
(10) CROISSANCE (en %) (a)													
(11) P.I.B. marchand .....	+ 0,5	+ 0,1	- 0,5			+ 0,4	+ 0,5	+ 0,3	- 0,1	+ 0,5			
(12) Consommation des ménages .....	+ 0,7	- 0,1	- 0,3			+ 0,3	+ 1,2	+ 0,3	- 0,1	+ 1,3			
(13) Exportations .....	+ 0,5	+ 0,7	+ 0,7			+ 2,2	- 0,7	- 0,5	- 0,3	+ 1,4			
(14) Importations .....	+ 0,5	+ 0,4	- 1,1			+ 0,1	+ 0,5	- 0,4	- 0,3	- 0,2			
(15) INFLATION (en %) (b) .....	+ 2,5	+ 0,6	+ 0,1			+ 3,2	+ 1,9	+ 0,8	- 0,1	+ 3,6			
(16) CHOMAGE (en millions) .....	- 35,5	- 1,6	+ 11,8			- 25,3	- 48,3	- 5,6	+ 18,6	- 34,3			
(17) SOLDE COMMERCIAL (en milliards de francs courants) .....	- 34,5	- 18,4	+ 16,6			- 28,6	- 37,9	- 15,3	+ 22,9	- 21,1			

(a) Incidences (en points) sur le taux de croissance en volume (aux prix de 1970).  
(b) Incidences (en points) sur le taux de croissance de l'indice des prix à la consommation (comptabilité nationale).

Table 2

Key:

- (1) Impact on the French Economy of the Three Devaluations of the Franc and the Related Measures of March 1983
- (2) 1983: (1) Effects of the Devaluations of October 1981 and June 1982
- (3) 1983: (2) Effects of the Devaluation of March 1983
- (4) 1983: (3) Effects of the Related Measures of March 1983
- (5) 1983: (4) Total Effects of (1) + (2) + (3)
- (6) 1984: (1) Effects of the Devaluations of October 1981 and June 1982
- (7) 1984: (2) Effects of the Devaluation of March 1983
- (8) 1984: (3) Effects of the Related Measures of March 1983
- (9) 1984: (4) Total Effects of (1) + (2) + (3)
- (10) Growth (in percentages) (a)
- (11) Gross Domestic Product in merchandise
- (12) Household Consumption
- (13) Exports
- (14) Imports
- (15) Inflation (in percentages) (b)
- (16) Unemployment (in thousands)
- (17) Trade Balance (in billions of current francs)

(a) Impact (in decimal points) on the growth rate in terms of volume (in 1970 prices)

(b) Impact (in decimal points) on the growth rate in the consumer price index (national accounts)



## LABOR UNIONS DECRY LACK OF ANTI-UNEMPLOYMENT MEASURES IN NEW PLAN

Paris LE MONDE in French 3-4 Apr 83 pp 1, 15

[Article by Jean-Pierre Dumont: "Development of the Austerity Plan: Unions Want to Be Heard"]

[Text] Moderate criticism by the CFTD [French Democratic Confederation of Labor] of the strong accusations of incompetence made by the CGC [General Confederation of Managerial Personnel]. All unions have told Pierre Mauroy during the talks at Palais Matignon that they are opposed to the austerity plan if "amendments" and additional provisions are not added to it. What is much more disquieting for the government is the fact that all national trade union leaders have let it be known that in the face of existing discontent among the rank and file of the unions they could not remain indifferent.

"Very much concerned," the CFTC [French Confederation of Christian Workers] considered that the austerity measures were "dangerous and poorly directed," and all the other national trade union organizations emphasized the defects and inadequacies in the government plan. The first criticisms concerned the injustice of the taxes which, by establishing the initial level for tax collection at too low a point, penalized low-income, salaried workers, those who have retired, and certain categories of the unemployed. However, the CGC admitted, by presenting a table on supplementary taxation by level of income, that the progressive impact of the tax, compared to the level originally adopted for 1983, was much heavier for people at the bottom of the salary scale (an additional 30 percent in taxes for a taxable income of 55,555 French francs for households without children) than for those at the top of the scale (an additional 5 percent for incomes of 250,000 French francs and an additional 4.75 percent for incomes of 277,777 French francs).\*

The second series of criticisms concerned salary policy. FO [Workers Force], the FEN [National Education Federation], and the CGT [General Confederation of Labor] criticized the government the most strongly, and particularly Jacques Delors, and accused them more or less explicitly of seeking to undermine the

\*For a gross, taxable income of 55,555 French francs the CGC estimates that the tax would go up from 1,855 French francs to 2,410 French francs (up by 30 percent); for an income of 250,000 French francs the tax would go up from 49,173 French francs to 51,673 francs (up by 5 percent).

purchasing power of the people and to place in question existing agreements or "abstracts of conclusions" on overall pay. Jacques Pommateau, secretary general of the FEN, stated: "If these agreements are not kept, there will be serious consequences." FO gave to Prime Minister Mauroy "a clear warning against the consequences of any deterioration in the process of collective bargaining." It asked the prime minister "whether the government's objective of the nominal and overall maintenance of purchasing power remained in effect." FO added that its unions "will have to show the greatest vigilance."

All of the national labor organizations were unanimous in denouncing the economic inadequacy of the austerity plan: that is, the absence of measures to relieve unemployment and to promote the recovery of industrial activity. Edmond Maire stated that, "Although the workers know that austerity is necessary, they do not agree that jobs should be sacrificed." And the CGC, in a more virulent tone, denounced the incoherence of this plan. Some observers said that the CGC representatives "scrubbed the scalp" of Prime Minister Mauroy, criticizing the government for its "unacceptable slowness" in defining and applying "a new industrial strategy."

Regarding the "amendments" to the austerity plan suggested by the unions, although they were generally similar when they dealt with moderating the level of taxation, they differed when they dealt with the way to replace the lost revenue or additional taxes to be levied. By calling for the participation of the trade unions in the committees entrusted with stimulating investment in companies, the CFDT irritated FO. By demanding an increase in the purchasing power of the SMIC [Interoccupational Minimum Growth Wage] by 4 percent (a CFDT demand) and by expressing its belief in achieving economic recovery by an increase in salaries and heavy taxes on large fortunes (doubling them) and dividends (a CGT view), both organizations seemed to be bidding for the support of the workers, which annoyed the other trade union organizations, which were more modest and realistic in this connection.

What did Prime Minister Mauroy say in response to all these claims, to which the CFDT added a reduction in the hours of work, improvement in working conditions and expanded training arrangements and the CGT called for new kinds of savings for the social security program?

The trade union representatives were anxious to obtain some indication. However, it seemed that, apart from slight changes in taxation (affecting families and retired people), Prime Minister Mauroy will announce new measures to promote economic recovery. According to FO, "The main concern of the government is to promote its industrial policy by helping certain sectors, such as the machine tool industry, for example." According to Krasucki, some government initiatives will be announced in the near future. And the prime minister's office confirmed this point by adding that the speech which he will shortly deliver will include "an industrial segment."

In any case the trade union leaders all stated that they would decide on their attitude after Mauroy's speech, while leaving in the air the threat of trade union action in support of their claims. The OGC has demonstrations or even a national strike in mind. FO announced that its trade unions would not remain passive and that "serious conflicts with the trade unions" could not be excluded.

The CFDT, in a more moderate tone (it "did not want to pour oil on the fire"), spoke of "mobilization to obtain more jobs." And the CGT? The inflammatory speeches which it made against former Prime Minister Barre are certainly quite forgotten by now. It was the CGC which took its place and termed Prime Minister Mauroy more reactionary than the government of former President Giscard d'Estaing. However, the very cold tone which Krasucki used when he left Palais Matignon showed CGT's great annoyance. The CGT secretary general spoke of calm but firm trade union action saying: "You have to make yourself heard to be understood." Should we conclude that Krasucki was not understood by the government? It is still a fact that the CGT has undertaken a campaign, for the moment, of sensitizing its members to the situation. Millions of pamphlets have been distributed to let it be known that the "CGT is in complete disagreement" with most of the measures announced by Minister of Economy and Finance Delors. The CGT publication VIE OUVRIERE considers it out of the question to reduce purchasing power or pause in presenting further salary demands. Like the CGC and FO, the CGT indicates that telephonic protests from its members are increasing. Delegations are to be sent to call on socialist members of the National Assembly. Will the trade unions go further and will they adopt a stronger tone? Two kinds of protest could take place: against hospital contracts, where the CGT has taken the lead in demanding they be cancelled; and for the immediate opening of new negotiations on the salaries of government employees. From the CGT, which "could not accept a continuation of the gap between wages and prices" (and which is calling for indexation of wages, therefore), to FO, a rather diverse front of opponents could be organized against the state/employer. Everyone is speaking of "mobilization" without being able to say as yet whether this will involve "getting down to work" so that the modified austerity plan will succeed--a very dubious idea--, harrassing the government (the most probable course of action), or declaring war.

5170

CSO: 3519/428a

## ECONOMIC, TECHNICAL COOPERATION PROTOCOL WITH LIBYA

Athens TA NEA in Greek 25 Apr 83 p 10

[Excerpt] The protocol of the Fourth Conference of the mixed inter-ministerial committee for economic and technical cooperation between Libya and Greece was signed yesterday at the Ministry of National Economy by Alternate Minister Giannis Pottakis and Libyan Minister for Planning Faouzi Sakseuki. The highlights of the signed protocol are:

- a. The Libyan side expressed the wish to purchase on a long-term basis 200,000 tons of alumina annually.
- b. The Libyan side invited representatives of the Greek State Company of technical projects for the purpose of discussing with them the construction of specific technical projects such as houses, ports, roads, dams, etc.
- c. In the electricity and communications sectors, the two sides confirmed their intention to cooperate in the construction of various electrification projects in Libya and to provide technical advice.
- d. In the area of commerce, the two sides agreed to extend their commercial relations on a long-term and balanced basis. During the first 1983 quarter Libya purchased Greek products valued at 55 million dollars while the Greek side agreed to purchase 400,000 tons of oil which may be supplemented by the purchase of an additional 400,000 tons.

7520

CSO: 3521/298

## CENTRAL BANK CONSULTANTS URGE FULL FOREIGN CAPITAL ENTRY

Istanbul MILLIYET in Turkish 12 Apr 73 p 3

[Text] A call for the entry of foreign capital into our country at every level, the discontinuation of measures pertaining to state economic controls and the placement of greater emphasis upon the private sector was issued during a meeting organized in Ankara by the Lazar Freres, Lehman Brothers and Warburg Companies. These companies have been serving as highly paid consultants to the Central Bank.

Moreover, the foreign consultants to the Central Bank who serve within a common structure have made individual visits to high level officials in certain public agencies and have provided these officials with a more detailed statement of their specific proposals.

During the past few days, the following persons have taken part in a meeting held between foreign consultants visiting Ankara and certain high level Turkish officials: Finance Ministry Undersecretary Ertugrul Kumcuoglu, State Planning Agency Undersecretary Yildirim Akturk, Energy and Natural Resources Ministry Undersecretary Erdemir Karakas, Central Bank President Osman Siklar, Central Bank Vice President Yavuz Canevi, Department of Foreign Currency Exchange General Director Zekeriya Yildirim, Treasury General Director Okmen Atam Yildiz, and Office of Foreign Capital Director Husnu Dogan. The general directors of certain investment oriented public sector agencies also took part in the meeting.

At this time, the group of foreign consultants have arrived in Ankara with a list of investment areas in our country. The group proposes that these areas be opened to foreign investment and management. The group also brought a list of companies interested in making investments in Turkey and made certain recommendations to Turkish officials. The following is a list that includes some of these recommendations.



"-The Kerim Aga Han group is the most reliable foreign group in the tourism field. The government should establish a link between this group and a powerful domestic group and encourage joint investments by the two.

- It will take some time to increase the existing number of hotels in Turkey. For this reason, this field in particular should be opened to foreign management. The management of the hotels should be transferred to foreigners and greater productivity should be achieved.

- A very large potential for Turkish geothermal energy exists in Eastern Anatolia. This matter is being addressed by the American company Union Oil. As long as foreign capital does not enter the geothermal resources of Eastern Anatolia, it is not possible to obtain the yield expected from this field.

- The steps taken in connection with the opening of the petroleum industry to foreign capital have met with a positive response. As a result of this, American companies such as Texaco and Amoco have begun to show interest towards this matter.

- In every field, Turkey must open itself to foreign capital and must place emphasis upon the private sector. Steps taken in this direction are being favorably met by the Western World. We are pleased that in connection with this matter we share the same viewpoint with Turkish authorities."

The contract of the group of consultants hired by the Central Bank had previously been cancelled by the former president of the bank, Ismail Hakki Aydinoglu who had argued that the consultants were of no use whatsoever. At first, Aydinoglu had reduced the yearly consultation fees paid to the group from 6 million dollars to 500,000 dollars and later cancelled the contract after the group agreed to work for the lower fee. Central Bank authorities are not revealing the amount of money that is currently being paid to the group. In a sense, the group of consultants in question is currently performing the duties of our trade missions abroad and playing a liaison role between Turkish authorities and certain companies which are believed to be potential investors in Turkey. The group fulfills the same task for countries such as Indonesia and Gabon.

9491

CSO: 3554/245

## STATISTICAL OVERVIEW OF NEW COMPANIES, FAILURES

Istanbul MILLI GAZETE in Turkish 13 Apr 83 p 4

[Text] 2425 new companies representing a total capital value of about 21 billion liras have been established during the first three months of this year. During the same period, 386 companies achieved a 31.2 billion lira increase in their combined capital while 671 companies with a total capital of 617.1 million liras brought an end to their commercial activities.

According to the data provided by the ANKA reporter, 95 percent of the capital increases achieved during the three month period may be attributed to incorporated companies. The increase achieved by 220 incorporated companies has been calculated at 29.6 billion liras. In addition to this, capital increases for 61 limited companies amounted to 1.1 billion dollars while 97 collective companies posted capital gains of 465.6 million liras and 8 proprietary companies had capital increases totaling 18 million liras.

It has become clear that a significant number of firms that were established during the January March period were incorporated companies. It has been calculated that the 988 incorporated companies established during the period in question represent a total founding capital value of 15.8 billion liras. This amount constitutes 75 percent of the founding capital of all newly established companies.

During the first three months of the year, 384 collective companies with a total capital of 1.3 billion liras were established in addition to the 1,011 limited companies with a total capital of 3.8 billion liras. Proprietary companies with a total capital of 86.9 million liras as well as 110 cooperative companies with a total capital of 3.7 million liras were also established.

Meanwhile, it has been determined that 607 of the companies that went out of business were collective companies and that these companies represented a combined capital of 530.1 million liras. In addition, 56 proprietary companies with a total capital of 42.6 million liras and 8 limited companies with a total capital of 34.4 million liras were abolished. Since the beginning of this year, 13 collective companies reduced their combined capital by a total of 2 million liras.

In the three month period between January and the end of March the net capital increase posted by the companies has amounted to a total of 52.2 billion liras. However, when capital reductions, as well as the dissolution and failure of companies are taken into consideration, this figure must be reduced to 51.6 million liras.

9491

CSO: 3554/245

## CP ORGAN SEES NATIVE LABOR UNION GAINING POLITICAL POWER

Copenhagen LAND OG FOLK in Danish 23-24 Apr 83 p 2

[Interview with Greenland Workers' Union chairman Jens Lyberth by John Wilken]

[Text] The Greenland Workers' Union, SIK, is becoming increasingly active in the development of Greenland. One of the ways in which this was expressed in the current election was trade union demands for policy to be implemented after the election. Inuit Ataatigiit [Alliance for Eskimo Fellowship] said it would support the demands 100 percent, especially since the SIK points are part of the party's own election program. Siumut [socialist, radical home-rule party] was positive and promised to talk it over with SIK after the election. After talks between IA [Inuit Ataatigiit] and Siumut on the formation of a new government based on the two parties, SIK is awaiting an invitation to discuss the union demands.

These are the major demands: establishment of a Greenland unemployment benefits fund; restrictions on imported labor; price and profit legislation; progressive taxation and an increase in the basic deduction; equality between imported and domestic labor.

These demands also form the framework of the policy Siumut and Inuit Ataatigiit must agree on as a basis for the government to be formed in Greenland.

Trade unions are becoming a power factor in Greenland. SIK chairman Jens Lyberth had the following to say about the development of a union movement in Greenland.

Must Have Effect on Parties

[Lyberth] We tried out a decentralization of authority; we set up regional secretaries in North and South Greenland. We wanted to broaden

our reach so we could extend to the outlying districts, but we could not use the system.

After all, home rule was introduced with a centralization of a number of functions and at the same time there was a centralization on the part of employers. We were forced to centralize our own organization, even though we did not want to.

[Question] In 1979, you took a direct part in party politics in Greenland by forming the Sulisartut Partiaat [Labor Party]. But now the party has been disbanded.

[Answer] Yes and it was a big mistake to form the party. In reality it led to a big split in the left wing. Trade union members must find their place in the existing parties and imprint them with the union standpoints.

It is important in this connection that we improve the political education of union members. We have a long way to go there.

#### More Education

We have our workers' high school in Julianehab and it has meant a great deal for the development of political and union awareness among our members and shop stewards.

[SIK secretary Ole Lynge] We would also like to set up a course center in North Greenland. There was not much enthusiasm for the project in the old government but we think that after this election there will be better opportunities to get support for the project. The political majority has also shifted in several of the towns that would have to help pay for a new workers' high school, so we are hopeful.

[Question] BUPL [Teachers' Union] was the first Danish union to turn over negotiating rights for its members in Greenland to SIK. What does that mean for you?

[Jens Lyberth] The importance of this can hardly be overstated. It is clear that we cannot have a division of workers at the same place under different negotiators. We hope that other unions will follow BUPL's example.

And as it happened, union activity within the teaching sector increased sharply after negotiating rights were turned over to us.

Danish workers in Greenland must also realize that it produces results when all workers are organized in the same place. We saw that last October when we managed to preserve cost-of-living adjustments in Greenland because there was unity of action on the part of all workers in Greenland--regardless of where they were organized. This meant a wage



improvement of 13-15,000 kroner over a 2-year period. That shows in kroner and ore the importance of standing together in a common struggle.

#### Unity Necessary

In addition, the question of a unified union movement is important for the overall development of society. Without this unity, clashes and disagreements will arise constantly between Danish and Greenland workers as long as they each have their own union. We in SIK are trying to overcome these differences, but without a joint organization, the differences will continue to grow.

Therefore we are hoping for more understanding on the part of Danish trade unions so that, like BUPL, they will give us the right to negotiate for their members in Greenland.

[Question] Isn't one of the problems in that connection the fact that there is no unemployment fund in Greenland?

[Jens Lyberth] In the case of BUPL, the problem was solved by allowing members sent out from Denmark to remain covered by their Danish unemployment funds and to retain their seniority, but the struggle must now be made to set up an unemployment fund in Greenland. At the same time we have demanded SIK control over supervision and job referral. Therefore we must set up divisions everywhere. It will be a lot of work, but it is our only chance to also gain control over the importation of labor.

It is quite unreasonable to bring in Danish workers when there are thousands of unemployed workers in Greenland. It cannot be necessary to speak fluent Danish in order to pound a nail into a wall. But there are many Danish-owned firms that will only hire Danish workers. Therefore we must bring legal and other actions in order to present clearly the need to hire Greenland labor.

6578

CSO: 3613/112

## PAPER CITES NEED FOR ELECTORAL DISTRICT REAPPORTIONMENT

Godthaab GRONLANDSPOSTEN in Danish 20 Apr 83 p 2

[Editorial: "Outlying Districts Treated Differently"]

[Text] The parliamentary election shows quite clearly that the election laws need to be revised. The distribution of seats is far from being fair. It cannot be when two parties with a difference of over a thousand votes between them can each get the same number of seats. Under the current arrangement, the northern votes are weighted too heavily. A vote from the outlying districts is worth one and a half times more on the average than a vote from the southern and Disko district.

In the past, each "colony" and district was an independent election district and members of the two national councils should preferably be professionals, i.e. people working in the major professions. That was when Greenland consisted of local communities with very little contact with each other.

Until 22 years ago, the national council institution was only for West Greenland. Thule and East Greenland had no access to the country's advisory assembly. It was 50 years after the start of the national council institution before these forgotten districts were found worthy of being represented in the advisory assembly, first by observers and then by real members. It was a great day in the summer of 1961 when representatives from Thule, Angmagssalik and Scoresbysund took part in the national assembly for the first time.

This equality lasted only 18 years. In the 1979 election, the present distribution was practiced for the first time. The outlying districts were given reservation status. They were branded as local communities. But to prevent them from feeling inferior, they were given a favored status enabling each one to have a seat in parliament.

This arrangement is clearly discriminatory. These outlying districts are also part of Greenland! This cannot be done today when we have moved away from local communities and have a parliament that works for the entire country.

We must not lock certain voters into small enclaves to vote alone for their local candidates. With this arrangement, voters along the coast cannot help noting that some members of parliament who received very few votes have far more influence than colleagues who received many votes. And it is not pleasant for the members with the few votes.

The only fair and workable arrangement, therefore, is to make all of Greenland into a single election region.

In the period before the next election, changes in the election laws will be discussed. It is important to make all of Greenland into one election district and end the condescending treatment of the voters from the outlying districts.

6578

CSO: 3613/112

## BRIEFS

**EC PANEL BACKS MEMBERSHIP WITHDRAWAL**--Last Thursday in Brussels the judicial committee of the EC Parliament approved by a substantial majority the report on Greenland's withdrawal from EC and the form of its future affiliation with EC. The report, which was prepared by the member from Holland, James Janssen van Raay, recommends approving the Danish government's proposal that Greenland be granted status as an overseas associated territory under Article 131 of the treaty. But the judicial committee, whose chairperson is former President Simone Weil, felt it necessary that binding agreements on mutual rights and obligations between the two parties on such vital mutual problems as fishing be made in connection with the negotiations on associated status. [Text] [Godthaab GRONLANDSPOSTEN in Danish 27 Apr 83 p 2] 6578

**GOVERNMENT ADMINISTRATIVE REFORMS SET**--Government leader Jonathan Motzfeldt now thinks he has his cards laid out properly in his effort to reassign tasks in the six government areas. "There have been many things to take into consideration and there has been a lot of thought given to how to assign tasks differently in the various government areas," the government leader told AG [GRONLANDSPOSTEN]. The cabal solution involves the establishment of a directorate of finance, budget and economics as the sixth government area and a rearrangement of the tasks assigned to the existing areas of government. "When we embarked on home rule, we estimated that we would be handling about 180 million kroner annually and now we have reached over 1 billion kroner. Therefore I feel it is necessary to free the head of state from that part of his government area, so that in the future he can concentrate on the political leadership of the government," the government leader went on. A cabal [a Danish card game] was originally the name of a mystical Jewish doctrine from the Middle Ages, which was once used for predicting the future. [Excerpts] [Godthaab GRONLANDSPOSTEN in Danish 27 Apr 83 p 3] 6578

CSO: 3613/112

## HOPE FOR POSSIBILITY OF CENTER PARTY CREATION

Athens POLITIKA THEMATA in Greek No 450, 22-28 April 83 pp 16, 17

/Excerpts/ Yes, there are people who are politically homeless, who either leave PASOK disillusioned, or joined it by necessity, or who do not accept the ND's turn to the Right. These are the people of the Center who despise the tension and the dogmatism, and the extremes, even the offshoots of the extremes. These people seek expression. And the existing voices do not inspire them.

The 18 months since the October 1981 election were sufficient to strengthen the view in the public opinion that a center party is needed today more than ever. It is needed to offer a home to all those who were drawn or who were disappointed from the campaign promises of Andreas Papandreu or who were disappointed by the rightist line followed by the ND during the postelection period.

Both groups constitute--by general admission--a large percentage of voters in our country who are capable, if properly activated, to elect a large number of deputies in the next election.

The need for a serious and capable center party is made even more imperative because of the continuing polarization which could have unforeseen effects for the country.

The recent appearance in press reports of a "Movement for a United Progressive Center" /EPK/ which was expressed with the views of the veteran center deputy from Irakleion, Kostas Badouvas, rekindled the rumors that something can be done in this political section which has been dead for the last few years. The questions, of course, remain and call for a reply: is there space today for a center party in the Greek political arena? Is it possible for anyone, and who, to bring together all these parties and groups in a viable organization?

And if they eventually come together into a party, will such a party fare well between the two other strong parties--PASOK and the New Democracy?



## Homeless

No one can, of course, give a one-word answer to any of these questions. But he can say with certainty that the followers of the Center are now virtually homeless after PASOK's openings to Marxism and the stubborn attachment of the ND to extreme rightist positions. All these people comprise, in a modest estimate, approximately 25-30 percent of the voters, that is, all those who in the October 1981 election were absorbed by PASOK and brought it up to the unexpected 48 percent. In other words, those who did not go to the New Democracy in spite of the adherence of many--and distinguished--center leaders such as K. Mitsotakis, Athan, Kanellopoulos, Sot. Papapolitis, I. Sergakis, Mikh. Papaconstantinou, K. Koniotakis, etc., and turned to the party of A. Papandreou because they believed in certain revival of the Center Union, and who were estimated to 22-23 percent. One may add to this percentage another percentage of 5-8 percent of old liberals who were scared by Papandreou's campaign pronouncements (e.g., out of the EEC, out of NATO, out with the Americans, nationalization of everything, etc., etc.) and voted for Georgios Rallis because he was a moderate, decent, political leader. But today, with the shift of the ND to the Right, they are displeased and ready to leave if they have the opportunity.

## If There Was a Center

Not a few argue seriously in many parts of the country that if there was a strong Center Party, the country would not be facing the danger of a sudden increase in the support of KKE, in the event of a PASOK failure, with KKE reaching 18-20 percent in the next election.

The situation today in the area of the Center is anything but hopeful. In this area of the so-called Center there are three parties, a movement, and a number of distinguished cadres and personalities who have preferred to remain nonaligned.

The parties are the Democratic Socialism Party /KODISO/ of Giangos Pezmazoglou, the Democratic Center Union /EDIK/ of Zigdis, the Liberal Party of Nikitas Venizelos and the recent "movement for a United Progressive Center" led by former deputy from Irakleion, Kostas Badouvas. Personalities of the Center, such as Alexandros Baltatzis, Georgios Mylonas, G. B. Mangalis, Tasos Minis, etc., are not found in any of these. Neither is Georgios Mauros who apparently has left this area for good, expecting offers for other high posts.

## The Guardians of the Seal

The situation today in the area of the Center resembles that which prevailed in the same political area in the early 1960s, when there were more leaders than parties. The easy explanation is that the followers of the Center have been absorbed by PASOK, and that today the Center does not have a characteristic personality which could assume the leadership and confront Papandreou.

This is only partly correct. Because no one can seriously expect that PASOK can hope to repeat its 48 percent feat of 18 months ago. Much has changed in the country since. First of all the popular experience from PASOK's one and a half year in power. This was enough time to disappoint many, and to frighten even more. In this new reality, one should add the possibility of enacting the electoral system of simple proportions, a system which will seriously encourage the appearance of a united center party capable of winning a significant number of seats in the new parliament at the expense of the two other parties--PASOK and the New Democracy.

#### Who Will Lead?

The stumbling block is certainly the question of the personality which will take the leadership. It is indeed strange that neither Giannos Pasmazoglou nor Giannis Zigiadis, nor Nikitas Venizelos are prepared to take the first step. All put conditions and terms which in essence are negative from the start. The result is that they torpedo any idea for unity while they also rule out any opportunity for serious discussion and intention to cooperate.

A strong non-parliamentary personality--which in the last few years sided with PASOK and A. Papandreou but who was soon disappointed and changed his mind--is said to plan a new center initiative with cadres of public officials who have succeeded in various sectors, but who have not been involved in politics. He is expecting to have these cadres to form the core of a center party which will draw old and new center followers. It is said that he waits for the right moment for the "green light" with the enactment of the electoral law and the opening of the electoral period.

7520

CSO: 3521/297

## NATIONAL ETHNOCENTRISM PITFALLS OF ANTI-EEC-NATO POSITION

Athens POLITIKA EPIKAIRA in Greek No 450, 22-28 Apr 83 pp 8, 9

[Article by N. D. Delipetros: "EEC and NATO the Same Syndicate"]

/Excerpts/ Last week we noted in this column that the government started to understand that our membership in the EEC is extremely beneficial for our country. We even mentioned figures showing our annual economic benefit from the EEC.

In a period of lean cows, it does not take much effort to realize the economic significance of our membership in EEC. In this regard, the phrase of K. Mitsotakis that "Papandreou will not leave EEC even if he is kicked in the butt," may be inelegant but it reflects reality.

But while the economic significance is generally understood, I am afraid that we have not understood that EEC is not merely a "treasury" but above all a political body which makes political decisions, with which, after free consultations, the common political line of the EEC member states is charted. The "European Economic Community" is not only economic but also political. Unfortunately, we have yet to understand this or--at least--we pretend that we have not understood.

There is, of course, the possibility of free discussion. Our country is not the only one using this opportunity. But there is a reality which is a cause of concern--at least in our view. All are discussing and all are often disagreeing. The unanimity in those discussions is rare. But the political decisions are common. We systematically express reservations on those political decisions.

The worst part is that our reservations are not tied to our national interests, but they refer to issues which are particularly moving--or we pretend to be moved by them--for dogmatic reasons without any political weight.

This tactic of expressing--constantly--reservations to the EEC political decisions, and the systematic--and almost provocative--policy of taking a different stand from the other member states portrays us as a foreign body in the European family and isolates us.

We appear as a country which politically does not fit in Western Europe. This takes place at a time when--for our own reasons of the highest national nature--we have an absolute need for the continuing and unreserved political support of the EEC member states.

We must note that many of our compatriots have the wrong idea that the government is right in playing "tough" in the EEC councils; and this tactic must eventually fail for our country. These wrong ideas spring from an old Greek affliction known as "Helleno-centrism." We believe that somehow we are the center of the world, that we are the sun around which all countries, large and small, rotate.

This Greek disease is very ancient. In Delphi there was--and still is--the "center" of the world. The ancients had some excuse to be Helleno-centric because Greece was then indeed the center of the known world. But today... today this "ethnocentrism" sometimes is hidden behind the pseudonym of "national pride." And although it is a disease--and a dangerous one at that--it is presented as a national virtue!

I don't know if and when K. Karamanlis will ever decide to describe realistically his efforts, as the responsible premier, to induct our country into Europe; his maneuvers and the great obstacles he faces hamper his every step.

Such a realistic report--without omission for reasons of national expediency and without efforts to beautify the facts for reasons of national pride--might cure us from the disease of Helleno-centrism and from the wrong idea we have that Europe and the western world in general have no other salvation other than to bow to our desires. We must decide at last to be harsh with ourselves, to see things as they are, not as we want them to be.

And we must above all disconnect our national pride which is a virtue and is an honor and glory from our Helleno-centrism which is insanity and which in the end humiliates us.

EEC is not identical with NATO. All NATO members do not belong to the EEC. But all the EEC members belong to NATO. The EEC member states are members of NATO ("EEC and NATO, the same syndicate").

In this sector--the NATO sector--the government is following a policy which can be characterized, leniently, as *suis generis*. With NATO we had--and continue to have--justified complaints. But we have the strange idea that our position will be strengthened if we constantly needle the Atlantic Alliance on questions which are not related to Greek issues and Greek interests!

On the question of the Jaruzelski junta, the question of the missiles, and on every issue related to the relations between East and West, our positions are not only different from those of the other NATO countries, they are

considered friendly to the Warsaw Pact--and these assessments come from the Soviets themselves.

We constantly declare that we are against military camps. What is the meaning of this? To be against a military camp to which we do not belong--such as the Warsaw Pact--has only theoretical significance. But to say we are against a camp to which we belong--such as NATO--has tremendous practical and political significance.

And this statement of ours is noted. The Turks are taking advantage of it. They have an interest in exploiting it and to monopolize a NATO loyalty. For this monopoly they rely not only on their positive contributions but on our negative statements as well.

Our government must have realized that it is time to start using for our country all the political advantages provided by our membership in the EEC and our participation in the Atlantic Alliance. The unnecessary feuds with EEC and NATO concerning foreign problems must stop.

Instead we must strengthen continuously our political ties with Europe to improve our position in NATO. "EEC and NATO, the same syndicate."

But we are, as I said, *suis generis*. We have some complaints--some justified complaints with NATO. But we cut off our noses to spite our faces. We act like the Turkish aga who castrated himself because he wanted to punish his wife for her misdeeds. I refer to a time when the agas were a little stupid. Now we are the stupid ones...

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## MILITARY CANDIDATE FOR PRESIDENCY REPORTED PREFERRED

Lisbon A TARDE in Portuguese 29 Apr 83 p 12

[Editorial]

[Text] There have been increasing indications in recent days that some party sectors, particularly in the PSD [Social Democratic Party] area, are anxious to have the future political agreement on the government, or affecting the parliament, to be reached with the PS [Socialist Party] include consideration of the issue of who will run in the 1985 presidential elections as candidates.

There has been talk of some individuals, all civilians depending on the ideological position of each of the defenders of this thesis. They include Mario Soares, Leonardo Ribeiro de Almeida, and Freitas do Amaral.

Thus the question of the coming presidential elections is gaining importance on the current national political scene. The individuals who urge the drafting of an interparty agreement on this matter as of the present admit that the relative stalemate at present in our political life is likely to extend until 1985. The truth is that the lack of a party or a coalition with an absolute majority in the Assembly of the Republic since the elections last Monday has hindered the needed clarification. On the other hand, the feeling that the future central bloc could only be a temporary solution, with a time span of less than the 4-year legislative term, is growing. These same leaders feel that an effort should be made beginning now to avoid the political turbulence which the candidates for the Belem post would inevitably begin to create within 6 to 8 months, with negative effects whatever the government solution found in the meantime might be.

In the view of the defenders of this thesis, only an immediate agreement between the PS and the PSD, or with the CDS [Social Democratic Center Party] as well, on the Belem candidacy issue could prevent this undesirable situation.

Major sectors in Portuguese society, however, believe that only a military candidate could effectively measure up to the country's needs. In their view, it would be hard for any of the civilian personalities mentioned above to win election against a leftist candidate of an Eanist mien, not to mention the difficulties in obtaining a consensus among the political groups in connection with the party candidates.

What would then remain is the nomination of a military candidate, equidistant from the three democratic parties, who would meet the conditions required to justify the confidence of the democratic voters of the country, i.e., an anti-PCP [Portuguese Communist Party] candidate also opposed to what Eanes represents today, which is neutrality in the foreign policy sector--neither anti-Sovietism nor anti-Americanism, and neutrality in the domestic political sector--the utopian "national consensus" among all the parliamentary forces, and "yes" to the PCP, as well as the PS, the PSD, and possibly, the CDS.

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CSO: 3542/123

## SOARES' POST-ELECTORAL 'CONTRADICTIONS' CRITICIZED

Lisbon TEMPO in Portuguese 28 Apr p 6

[Article by Handel de Oliveira: "Harsh Criticisms of Soares' Ambiguities"]

[Text] The ambiguities and even contradictions which Dr Mario Soares, the leader of the Socialist Party (PS), the winning party in the elections, has evidenced as to the actions which will be pursued in the immediate future are becoming the target of harsh criticism from individuals in the sector close to the presidency of the republic. It should be noted, however, that the only official reaction from Belem thus far concerning the electoral event 3 days ago has been a laconic statement by Joaquim Letria, the spokesman for the chief of state, who said that the results of the elections serve "to show that the decision of Gen Ramalho Eanes to dissolve the parliament was correct." All that can be added to this is the step taken by the president in summoning Dr Mario Soares to meet with him at 10:30 today in order to undertake an "analysis of the situation resulting from the elections." Only after that meeting, we are told, is it possible that Ramalho Eanes may make public some reaction concerning the present national political situation.

The criticisms of the socialist leader and other main party figures are not limited, however, to the circles close to the presidency of the republic, as we have stressed. Quite the contrary, they cover a spectrum ranging from the communists to the Christian democrats and including the social democrats. This is easily demonstrated by a simple reading of the newspapers, specifically the article by Marcelo Rebelo de Sousa in CORREIO DA MANHA and the editorial in DIARIO published yesterday. The foreign correspondents accredited to Lisbon themselves make no secret of their surprise and alarm at the way in which the socialists are acting, failing to understand how an outstanding political party winning elections can evidence such hesitation as to the steps to be taken to form a government.

"It can be said that no one understands the goals of Mario Soares in gaining time and letting days pass without defining his strategy," our sources tell us, going on to say that they have serious difficulty finding a plausible explanation to give the many foreign journalists who question them. "The only justification we find to date for this procedure would be that Mario Soares wants to show that he does not have even minimal conditions for forming a government and putting another socialist leader forward for the post of prime minister, so that he can remain safe in the background in order to prepare for his candidacy for the presidency of the republic 2.5 years from now, such as to emerge then as a great national savior."

However, beyond "gaining time," which only serves to further aggravate the crisis in which the country finds itself, other more specific criticisms are made of the secretary general of the PS by circles close to Belem. We would note the following.

Dr Mario Soares has always said that if it did not win an absolute majority, the PS would not form a minority government again. Simultaneously, he has always said that he would not engage in any alliance with the Portuguese Communist Party or the Social Democratic Center Party (CDS). Without need to mention other references he has made, now that the electoral results are known, it only remains for the Socialist Party to sign an agreement with the PSD [Social Democratic Party] in order to be able to form a majority government. What then is the reason for the announced consultation of the base levels of the party?

In fact, in order to remain consistent with the announced position--refusal to govern as a minority or to sign agreements with the PCP or the CDS, Mario Soares cannot agree to sign any agreement other than with the PSD, although the majority of the members of his party indicate that they desire an alliance with the Christian democrats, or even a rejection of any kind of agreement of a governmental nature with any other party force. It is obvious that the socialist leader is in great danger of espousing contradictory positions. But even if this does not happen, we must agree that this is an ambiguous procedure.

With regard to the other condition imposed by Mario Soares, concerning the signing of a pact or social commitment with the social partners, it is not very clearly understood here either how he will implement his intentions. In fact, both the PCP, which dominates the CGTP [General Federation of Portuguese Workers]-Intersindical, and the leaders of this central trade union themselves have already clearly announced that they are not prepared to sign such an agreement. If this desire cannot be implemented, how will the socialist leader, who continues to insist on it as an essential condition for governing, proceed to act?

Will he utilize the pretext for announcing that the conditions on which he insisted for heading the government have not been met, and withdraw? Or will he overlook the condition imposed and join the executive branch?

There is still a third criticism. Mario Soares, when he ran for election, was perfectly well aware of the very serious political, social, economic and financial crisis in which Portugal finds itself. It is impossible to understand how the president of the republic could now announce to the country what the present situation is, when everyone has long since been familiar with it.

Nor is it possible to understand the need for convoking the Council of State, with the participation of the governor of the Bank of Portugal, to clarify what is already clear. In addition, constitutionally speaking, the Council of State is an advisory body to the chief of state, to whom, by right, the

authority to convoke it falls. Naturally, the president is not willing to give up this right, nor will he want to be told when or required to exercise it.

In conclusion, it will be very hard for Mario Soares to see this desire to have the Council of State meet satisfied. And so, how will he react? Probably no one, unless it is he himself, knows.

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## POOR CDS SHOWING IN ELECTIONS ANALYZED

Lisbon TEMPO in Portuguese 28 Apr 83 p 17

[Editorial by A.O.: "Misunderstanding of the Defeat"]

[Text] The great defeat in these legislative elections was without a doubt that suffered by the CDS [Social Democratic Center Party]. Relying heavily on the renewal of the AD [Democratic Alliance] and on the presentation to the voters of a real alternative to the socialist program, the CDS knew that its undertaking was not an easy one. As Dr Gomes de Pinho said in a brief interview we are carrying elsewhere, the CDS wager was above all a medium- and long-range one, the fruits of which would only begin to be seen with the 1985 presidential elections.

The electoral campaign, however, by far the most dynamic the centrists have ever carried out, created great hopes among many Largo do Caldas leaders. A few days prior to the elections, one often heard talk of results of about 17 percent, and even the most pessimistic did not expect the percentage to fall below 14. The 12.4 percent finally obtained dealt a rude blow to the morale of the centrists.

Without a doubt, the failure to understand the reasons which led to this poor result was as great as the disappointment caused. The campaign had proceeded almost entirely surprisingly well. The party apparatus responded better than ever. The membership as a whole reacted with enthusiasm. Apart from that, with Lucas Pires, Adriano Moreira and Morais Leitao--the three key men in this campaign, in terms of public opinion, the CDS had in principle control of a broad sector of the electorate ranging from the center left to the radical right. What then was lacking?

#### The Useful Vote

No one yet knows very well what specifically was lacking. But other reasons, all of them more or less credible, have been noted. First of all, the centrists complain of the "useful vote" strategy in the PSD [Social Democratic Party]. Everyone knew during the campaign that the CDS could win power only with great difficulty. The basic discussion was therefore pursued between the socialists and the social democrats, which was believed to have led the nonsocialist voters to go along with the PSD, to the detriment of the CDS. Apart from that, the centrists did not have a practical, concrete and viable

alternative to offer to the electorate. The idea of "renewal" of the AD was an appealing one, but it offered little guarantee of being put into practice.

A second negative factor is also thought to have been the commitment of the CDS to a government which is more than discredited. If indeed the main party leaders had always sought to make it clear that the CDS never had "its own" government, the fact is that it was also compromised by the policy pursued by the Balsemao executive branch. And it did no good to pretend that "this" CDS had practically nothing to do with that government.

Thirdly, the centrists noted, as reasons for failure, the various crises their party has experienced since the elections for the self-governing bodies last December. They include the fall of the government, the resignation of Freitas do Amaral, the internal struggles, the dissolution of the AD, and, finally, the election of an almost completely rejuvenated leadership team to the congress. Where the congress is concerned, the polls published then attributed little more than 7 percent of the votes to the CDS. And, at the beginning of the electoral campaign, this figure had increased by only 2 percent.

Other additional reasons might be cited as having contributed to this poor result. But they will be less calmly accepted. Some CDS members have said, since the elections, that it is very possible that the desire to command as wide a sector as possible of the electorate proved negative in the end. The potential supporters of Lucas Pires, especially the young people, are believed to have gone over to Adriano Moreira, and vice versa. And there were also those who said that placing one's hope in the AD meant betting on a dead horse.

Specifically, it is only known that Lucas Pires and his team are now entirely ready to begin everything anew. And that they hope to have more than reason enough in the next elections to forget this 12.4 percent figure.

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## SPECULATION ON PS/PSD APPOINTMENTS IN NEXT GOVERNMENT

Lisbon TEMPO in Portuguese 12 May 83 p 13

[Article by Eva Cabral and Anabela St Maurice]

[Text] In spite of the fact that negotiations between the PSD and the PS are still at an initial stage, there are already some rumors about the areas that the PSD will claim in the next government.

According to what TEMPO has been able to learn from social democratic sources involved in the negotiations, the PSD intends to claim 7 Ministries--including a vice-presidency--against the 9 that would be left for PS officials.

It is thought that the PSD will demand the Ministries of Foreign Affairs, of Justice and of Defense, since internal administration should remain for the socialists.

In relation to the position of minister of justice, the social democrats are not mentioning any names, while Rui Manchete is touted to be the next minister of foreign affairs.

The PSD will also ask for the Ministry of Agriculture and Fisheries, and the name of Vaz Portugal is being mentioned in this respect.

Public Works and Housing seems to be another Ministry that the PSD is likely to demand, since it believes it did well there in the past. Eugenio Nobre, one of the present secretaries of state, is mentioned as a possibility.

As for the Ministry of Health--which would be an autonomous institution, with the separation of the present Ministry of Social Affairs--this is reportedly a position that will go to the social democrats.

Responsibility for European integration, which initially was reportedly destined for the PSD, seems to have come back to the socialists: indeed, the EEC would be presided over by France at the time of Portuguese entrance into the organization, and it would therefore be easier then to count on the "good offices" of Mario Soares. The name of Barbosa de Melo or Enrique Granadeiro is mentioned for internal administration.

The name most often mentioned for social affairs is Leonor Beleza.

A social democratic vice-presidency continues to be the subject of negotiations in the talks which opened last Tuesday. Meanwhile, it has become known that Mota Pinto is not available for such a post to represent the social democrats, and would only accept to assume it if "fundamental" changes take place during the PS/PSD negotiations.

According to generally well-informed sources in the Buenos Aires Avenue PSD offices, Mota Pinto believes that it would be better to assume the presidency of the National Assembly, a post that would afford him more opportunities for his work than from within the government.

Thus, Eurico de Melo--since he is the second-in-command in the "troika"--appears to be the most probable personality to assume the vice-presidency.

CSO: 3542/135

## UDP CARRIES STRUGGLE TO STREETS

Lisbon DIARIO DE NOTICIAS in Portuguese 4 May 83 p 4

[Text] "To transfer the heart of the workers' struggle against the right wing to the streets and the factories, without waiting for the new government." This is the key decision adopted by the Political Commission of the UDP [Popular Democratic Union].

The Political Commission, which was convoked by the national secretariat of the party, urged the militants and the workers in general to 'make an effort to defend their conquests without waiting for the new government, since the right wing, although defeated, is preparing to assure representation again in the next executive branch,' Carlos Marques, UDP leader, told NP.

The Political Commission of the UDP, after reasserting the claims it had presented to the electorate, said that "only by struggling for them is it possible to demonstrate the usefulness of the vote in the central bloc." According to Carlos Marques, "votes were cast in error, but it is now that we will see, day by day, how the new executive branch will govern."

"The great sympathy and support during the electoral campaign was not reflected in votes, since the principle of the lesser evil operated. The failure to elect a UDP deputy is a great loss for us, because we had to abandon an important position for struggle," the UDP leader said, adding moreover that "the UDP is prepared to continue the struggle with the hundreds of workers deputies in the workers commissions, trade unions and local self-governing bodies."

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CSO: 3542/123



## CARRILLO, PLENUM CALL FOR NEUTRAL SPAIN

Madrid MUNDO OBRERO in Spanish 29 Apr-5 May 83 pp 14-15

[Article: "The Government Is Leasing Spain to the U.S. Army"]

[Text] On 20 April, only one voice arose in the Congress Plenum (a Congress in which there is a wide PSOE majority) to uphold Spanish neutrality, and to oppose the policy of blocs and the leasing of Spain proposed by the (PSOE) government in favor of the United States' Armed Forces. The Socialist deputies voted, without argument, on behalf of the Yankee bases.

Santiago Carrillo opened his address at the Congress Plenum citing the Communist deputies' annoyance at having to put up radical opposition to the proposal of a government whose investiture they had voted for a few months earlier.

He stressed that in the text put to a vote by the government there was (and hence the vacillation and doubtful elements in the foreign ministers' remarks) a radical change in the policy previously proposed by the Socialist Party. He stated: "We are actually confronted with another step in the direction of military integration into NATO"; indicating that the text put to a vote in Spain has received the name "convention," and is being discussed and voted on by the Chamber of Deputies, whereas in the United States it is only called an "agreement," and is not being discussed or voted on by either House.

He also claimed that the government's proposal "restricts freedom of movement in Spain and the destiny established in the Constitution when it declares that the Spanish nation proclaims its desire to cooperate in strengthening peaceful relations based on effective cooperation among all the peoples on earth."

He criticized the single reading system adopted because underlying the two and a half pages of the government proposal there are 24 combined documents, with a total of 147 pages, comprising the concealed contents of this treaty, which should in fact be discussed in a detailed and clearcut manner by the deputies and be made known to the public.

Among the doubts regarding the constitutionality of this convention, he noted that, "In Article 4 of the basic convention, in the preamble and in Articles 4.1 and 9.4 of the No 5 supplementary convention, reference is made to the convention among the parties to the North Atlantic Treaty, relating to the statute on its forces,

signed at London on 19 June 1951, which is considered directly applicable by the courts and the administration, despite the fact that Spain is not a party thereto, that no authorization has been requested from the Cortes, and that it has not been incorporated into Spanish internal law through its publication in the Official State Bulletin, in obvious contradiction to Articles 94.1 and 96.1 of the Constitution, and also to Article 1.5 of the Civil Code."

He went on to say: "In our opinion, and with all due respect for the government, it also contradicts the Constitution when it stipulates that Spain will exercise the right to waive its preferential jurisdiction at the petition of the United States of America, in the presumed crimes committed by American military forces on Spanish territory."

He then declared: "Not only are there potential violations of the Constitution, but also (and I believe that this is clear) the fact that those clauses reveal that Spain is entering the North Atlantic Military Organization through a false door, and that the promises that Spain's entry would be only into the political pact have been turned into mere fiction."

The Communist deputy also denounced the excessive privileges granted to both American military and civilians involved in the convention: entry into Spain without a visa, circulation through Spanish territory with an identification document that will not be Spanish and will be issued by the American forces in Spain, custody of the members of such personnel convicted by the American and not the Spanish authorities, ability of the American military police to patrol not only inside the bases but also in the nearby localities, impunity of the forces and the civilian element against the Spanish authorities for acts or omissions attributable to the performance of an act of service. He remarked: "Nor will there be any taxes for imports of goods, and those purchased here will enjoy the tax benefits granted for exports."

He also emphasized a group of privileges for American contractors, for bars, and social and recreational centers, which will enjoy a genuine right of extraterritoriality.

"Reading this No 5 convention, one inevitably recalls the features of those concessions that the Chinese Empire made to the colonial powers at another time."

He revealed how the reciprocity cited in the convention is a mere formula, and actually nonexistent; also noting that, upon starting to read the No 6 supplementary convention, which stipulates reciprocity for the Spanish Armed Forces in the United States, he would even go so far as to say: "It will turn out that we shall be installing Spanish military bases in the United States, because this is a convention based on reciprocity. But that supplementary convention proves that such reciprocity does not exist, and that the rights assigned to the Spanish military and civilian personnel in the United States are infinitely lesser."

He also indicated that there is no guarantee clause in the convention, with everything referring to the NATO accords. He admitted: "It is true that the ban on storing nuclear weapons in Spanish territory is maintained. That is the least, and it was procured some time ago. Nevertheless, there is no regulation of the

use of nuclear or unconventional weapons aboard surface or underwater vessels which might stop at Spanish ports; and it is stated that the aircraft will require a permit from the Spanish Government to travel through our space with nuclear weapons." He noted that another accident such as the one at Palomares might cause Alfonso Guerra and Ambassador Todman to have to bathe together in the waters of the Mediterranean in order to calm the Spanish population.

Santiago Carrillo claimed: "Four bases and nine military establishments are stipulated in this accord, in other words, 13 nuclear targets covering all of Spanish territory; which, despite the intention expressed by the minister regarding opposition to the policy of blocs, puts Spain headlong into the North Atlantic bloc and exposes it to nuclear destruction in the event that a conflict should erupt."

He voiced his lack of confidence in a possible improvement of the document by the government when, 5 months after a spectacular victory, "you have not dared (he told the members of the government) to cause the slightest irritation of the United States Government. What confidence can one have that you will dare to do so after 2 years, when the government's profiteering, as is the case with all the governments, has weakened the credibility and support with which you have attained your positions?"

In conclusion, he described the convention as "a new contract for leasing Spanish territory to the United States Armed Forces," the approval of which (and it is, moreover, unquestionable) would mean losing hope that this government will organize the referendum and take Spain out of NATO.

Subsequently, throughout the debate, Santiago Carrillo criticized the contradiction that exists in the remarks made by both the minister of foreign affairs, Mr Moran, and the Socialist deputy, Mr Martinez, when they speak of eliminating the policy of blocs, while at the same time maintaining that we shall be better respected by being friends and allies of the United States.

He also gave a reminder of former Socialist positions, in statements made by both the head of government and Moran himself, regarding the defense of the policy of neutrality for Spain. "I am not reproaching either the head of government nor any of the deputies who have changed their opinion; but before observing the mote in another's eye, Mr Minister, it befits us to observe the beam in one's own."

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CSO: 3548/401

**FINANCIAL DEMANDS OF FOUNDING NEW PARTIES EYED**

Istanbul CUMHURİYET in Turkish 4 May 83 pp 1,7

[Article by Ugur Mumcu]

[Text] Candidates for the deputy posts will be selected by party founders for the first general election. For this reason, the personalities of party founders and, particularly, founders' relations with the circles with which they are affiliated are much more important than ever.

Forming a party is partly the result of money, excusing the expression, as much so as the result of belief. Money has a very special significance in the establishment of a party. If you add a number of provincial and administrative district party buildings and tables and chairs and telephones for several floors of the party headquarters building to election expenses, you will realize how much money is needed these days for political undertakings.

The Political Parties Law has set limits on sources of income for parties. Anyone who has a little interest in politics knows that a political party cannot be formed with these resources or, if formed, cannot exist on them. The law prohibits a transfer of property or a financial donation of more than a million liras within a calendar year. However, an outsider would probably perceive that this limit is exceeded.

What will happen, for example?

There is a course of action termed "getting around the law." This method will be applied very frequently when giving financial aid to the parties that will be formed. An individual or businessman who wishes to provide assistance will make these donations in the name of other individuals in his own circle. Receipts will be made out in the names of those persons. In this way, one man can donate a hundred million liras rather than a million liras per year. This method will be more easily employed in rightist parties that consider themselves liberal.

The press in Turkey is, pardon the expression once again, thought of as a "holding company press" by the large majority. There is a holding company behind every newspaper. And you should have no doubts that rightist parties will be established as holding company parties. It is not possible to avoid this,



because to say "rightist party" is the same as saying a "party of capital." A "holding company" is the legal structure uniting groups of capital. What is more natural than capital supporting various parties, inserting its own men as party leaders and founders, members of administrative councils?

These powerful capital groups will use all their strength to name deputy candidates using the founders of the party they now support as intermediaries. No one should have any doubts about this. In the meantime, the foreign purchasers of iron, the land speculators, the commission agents, the foreign corporation representatives, the grasping contractors will do everything they can to get control of a corner in the newly formed parties. Large and small capital groups from large holding companies to owners of beach houses who hold dinner meetings at their homes, from these owners of beach houses to foreign purchasers of iron are calculating to determine which corners they can take.

When we say, "It takes a little bit of money, too, to establish a party," we wish to draw attention to these formulations.

It is quite simple to predict what will happen after today. Now, if you wish, let us present our views using these "imaginary examples" so as not to "defame" anyone or "cast aspersions" on anyone.

A man has become rich over the last 20 years and presides over a great number of corporations. Because he is as ignorant about political science as a paving stone, he uses several persons close to him in these affairs. He gives dinners at his beach house for "future leaders" and "politicians." He is shrewd and provides jobs in his corporations for large salaries for the children of several public employees who know what will happen to his business. He also wants to have a voice on the subject of the parties that will be formed. These days, he has a very special concern. He wants to sell land he previously acquired cleverly and cheaply to several corporations that are publicly owned and, thereby, earn billions. Now, he will make an investment. He will become inextricably intertwined with the leaders of the future. He had done this before, and he will do it now. If the persons to whose relatives and children he has given jobs, the persons who are guests at his beach house become stars in the political world, this gentleman will pull out, one-by-one, his invoices and get what he wants. In the meantime, he is acting with zeal.

Another man is a foreign purchaser of iron. He was also involved in the brokerage business. His goal is to secure the support, henceforth, of a party to be formed; to provide it now with whatever money is necessary; and, later, if he is "in trouble," to knock on the doors of the persons he is supporting today. This gentleman waits for that day "quite seriously." When that day comes, it will be a day of "good health."

We presented these "fictitious examples" so that you would think about these issues.

Now there is nothing anyone can say about this form of freedom of thought. My friend, we, too, use this type of freedom of thought, and we are determining, one-by-one, who is involved in endeavors similar to this and are becoming



informed, dossier-by-dossier, about this. When the time comes, you will read about it in this column -- who has sold land snatched at a low price to whom and for what price, who has solved the problem of foreign purchases of iron, and so on.

Democracy and multiparty life costs a great deal to some of us, a great deal!

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CSO: 3554/281

## TOKER EYES GUIDED, UNGUIDED DEMOCRACY CONCEPT

Istanbul HILLIYET in Turkish 4 May 83 p 6

[Article by Metin Toker]

[Text] As was expected, debates are being held both at home and abroad as to whether democracy in Turkey will possess the characteristic of being guided or unguided. These debates have become more intense following announcement of the election date. This is because there is, henceforth, nothing else that can be said. All of the doubts expressed either with good intentions or bad intentions since 12 September 1980 have, one by one, come to naught. At this time, I recall the assessments of the situation Ludwig Steiner, reporter on Turkey and my friend in the European Assembly, and I made beginning on that date. Steiner is on the list that contains those whose expressed doubts are well-meaning, and it is possible to see that this is natural because he is Austrian. My friend Steiner doubted that a consultative assembly would be formed, doubted that the referendum for the constitution would be held properly and at the specified time, and doubted that general elections would be held in the fall of 1983 or even in the spring of 1984. The last time I saw him was at the Hariciye Kiosk in Ankara. Let me add, too, that I said there was no doubt that democracy would certainly return to Turkey in 1983, that this as well as all other suspicions would come to nothing, and that, if we had made a bet, everything he had, without exception, would have been lost.

We laughed, but it was obvious that he continues to hold on to his suspicions. I am sure that, if I see Steiner today, he will put forth a new doubt. He will say, "Democracy, but a guided democracy!"

Would it be unfair to think that? It is not possible to say so when watching the situation superficially, when considering the multitude of restrictions that have been introduced, or especially if the clumsiness of the presentation of a large portion of these restrictions cannot be detected. Close to 1,000 persons are being deprived of political rights, and the lists of names have been made public. All but 100 of these can become deputies as of 6 November 1983, can become ministers, can become the first assembly chairman, the first prime minister, can become the second president.

Does this mean they are "deprived of political rights" in the sense understood in the West, in the manner imagined in the West?

Another example is the veto power of the National Security Council that it recognized itself through a temporary article of the Parties Law. The basis for this has been left so obscure that the situation is open to all sorts of speculation. In fact, those dealing in speculation at home and abroad do not refrain from taking the opportunity to speculate. The veto will be looked at, will be laughed at, yet how little will it be used....

Let me say that, unfortunately, most of the restrictions are related with individuals. However, "restrictions" should have been introduced with changes in the system that would prevent actions of new individuals that are similar to those of the old persons. For example, the restrictions were viewed as assurance that Ahmet Nuri Bey would not come to power. What sanctions has the system introduced in case Nuri Ahmet Bey is elected and acts as Ahmet Nuri Bey did?

No sanctions whatsoever have been instituted. There is nothing other than another military intervention -- and that existed already. Too, no well-meaning person in Turkey wants to apply this remedy any longer.

Most of the measures that are called restrictions possess little combative value and are, in fact, childish, yet permit the utmost exploitation in Turkey and abroad.

Is everything like this?

By no means! No one can doubt that we are on our way to democracy in a guided manner.

However, it is because the Turkish people believe that we are pursuing, in a guided fashion, an unguided democracy and because they believe in the necessity for doing so that they accept this. It should be recognized that the impudent familiarity of the efforts to form parties leads to the belief that the administration is exhibiting forbearance, even too much tolerance, towards a number of people and that it even slowly has begun to be aware of the strength in the preference that everything remain as it is today. This is an extremely dangerous trend, because, if you desire to make permanent that which is successful because it is temporary, you cannot predict at all what catastrophes this could bring you. It is necessary that those who have entered politics today become well aware of this truth and that they know well what trends they are initiating within the community.

No one abroad or at home should forget that Turkey is being led by a temporary military administration from a democracy that everyone admits was unhealthy towards a democracy that we and all of our friends wish to be healthy. The general characteristics of military regimes will certainly make themselves felt during this period. You cannot expect it to be otherwise, especially if conditions within the country had reached the state where this was necessary. Please, do not let those who brought the precious democracy of Turkey to the point of the democracy of 11 September 1980 try to cut off the disciples of classic democracy, to abandon the laws of classic democracy. They would be ridiculous to do so.

This, too, extends to those abroad, to those there who do not know "conditions in Turkey."

Will a democracy that progresses in a guided manner become an unguided democracy? This is what millions of Turks want, what we want. We are not unaware that a series of restrictions will overlap into the period during which democracy is being implanted -- in other words, into the period between the first two elections.

But we do know and we are sure that sanctions that are not felt necessary in themselves should remain dead even if they are not born dead. As for the fate of those sanctions, it will determine the level of the administrators within the next period.

Ah, it is that level that does not leave us optimistic. But, what we have now is not a glass half-filled with democracy, half-filled with direction. Isn't this why a portion of the ministers speak of a "full" glass and a portion talk of an "empty" glass?

11673

CSO: 3554/281

## ARBATOV REPORTED TO HAVE WARNED OF NORDIC SUB INCURSIONS

## Warned in Washington Seminar

Oslo VERDENS GANG in Norwegian 11 May 83 p 5

[Article by Svein A. Rohne: "Kremlin Boast About Submarines--Andropov's Friend Warns of New Cruises in Norwegian Waters"]

[Text] Washington--A very central Soviet spokesman has for the first time confirmed that Russian submarines are being sent into Norwegian and Swedish waters, and made it clear that this traffic would continue.

It was none other than the plainspoken Georgiy Arbatov who made this surprising admission during a closed seminar at the Carnegie Institute in Washington at the end of last month, according to informed sources.

Arbatov is one of the Soviet Union's foremost foreign policy spokesmen. He is the head of the Institute for North American Studies in Moscow, and is one of the close advisors to party chief Yuriy Andropov.

## Arrogant

It was a very arrogant Arbatov who nearly boasted of the Soviet submarine activity, and that Russian submarines can in this way play cat and mouse with the authorities in Norway and Sweden.

"If the Scandinavians are so naive that they believe that this traffic is going to stop, they are living in a dream world," said Arbatov.

He admitted that the affair with the Soviet Whiskey-class submarine which ran aground off Karlskrona was very embarrassing for the Soviet Union.

"But still that is not going to put a damper on our future activities," said Arbatov, who also said that the unfortunate submarine captain had great difficulties after he returned from Sweden.



## Naive Swedes

Arbatov also said that the Swedes are unbelievably naive if they believe that neutrality will protect them against new visits by Soviet submarines.

Soviet submarine activities in Scandinavia came up in a question-and-answer roundtable during the seminar, the main theme of which was East-West relations.

It was held 25 April and was one of a series of seminars that the Carnegie Institute is holding behind strictly closed doors.

The purpose of these seminars is to bring politicians and intellectuals from East and West together for discussions of current political issues.

## Surprise

Participants had to commit themselves in advance not to report anything that was said at the meeting. Nevertheless, Arbatov's candid statements and arrogance came as a great surprise to the participants of the seminar, in which prominent representatives of the Reagan administration were present. "It is seldom that one hears a Russian in Arbatov's position speak out and talk right from the shoulder like that," VERDENS GANG was told. VERDENS GANG has had Arbatov's statements confirmed by different sources.

## Sealing Off Fjords to Subs Studied

Oslo VERDENS GANG in Norwegian 13 May 83 p 9

[Article by Tore Johan Markhus: "Norwegian Fjords Will Be Sealed"]

[Text] Stavanger--The Defense Research Institute at Horten will develop a system which will make it possible to "seal" the Norwegian fjords. An extensive project which will cost many million kroner.

This was confirmed by research chief Ingjald Engelsen at the Defense Research Institute to VERDENS GANG. But he will not say who has drawn up the task, nor when it will be formally assigned.

According to what VG has learned, the Supreme Command has directed the institute to expedite this work, following the extensive submarine search in Sunnhordland 14 days ago.

Research chief Ingjald Engelsen said that a barrier or fence could be developed which could be placed at the entrance to the arms of the Norwegian fjords. The system would enable the defense forces to be alerted immediately when foreign submarines attempt to enter the arms of the fjords.

## Money

"The technique is available. Money is the problem. Other countries have developed such systems, but we can not use these because conditions in Norwegian fjords are entirely unique. But well-known principles can be used, and shaped to Norwegian conditions," said Engelsen. The problem with these alarm systems is surveillance, which must necessarily be maintained when the system is in use.

"We can have an automatic system, but the alarm can go off when some ship or other passes. We must have a threshold value which does not give false alarms. A ferry, for example, is very noisy. A submarine goes quietly. In order to register a submarine we must operate with a high threshold value. The problem is that then we would get false alarms," said Engelsen.

## Mobile

A mobile system can be developed, but this must be watched by persons 24 hours per day. If the system is to be placed at the entrance to most Norwegian fjords, there will be a need for entire military camps.

"We see it as our task to develop a system which can be used by the defense. It will be an economic question if it can be placed in operation. In any case we are now involved in the work," said research chief Ingjald Engelsen.

## Norwegian Paper Views Nordic Sub Threat

Oslo AFTENPOSTEN in Norwegian 13 May 83 p 2

[Editorial: "Another Provocation"]

[Text] Foreign submarines have again violated Swedish territorial waters, despite the recently published submarine report and unusually sharp diplomatic protests to the Soviet Union. The submarine affair in Sundsvall completely fits into the framework of repeated provocations against neutral Sweden, and must be seen in connection with strong indications of violation of inner Norwegian waters. From a national security standpoint these events form a basis for serious concern.

Two countries which want peace and nothing else are being subjected to proved and systematic aggression. That shows with great clarity the reality in which we live as neighbors of a dictator superpower. And nothing could be better suited to put an end to the illusions which mark large parts of the organized peace and pacifist movements. What we know with certainty, from our own historical experience, is that realistic peace efforts can not be built on trusting an aggressive dictator. We must base ourselves on an effective defense, strong enough to show any possible attacker that we are able to protect our national security and independence.

With this as a point of departure we will obviously continue our work for balanced disarmament, but we do not wish that this shall happen on the basis of promises and assurances which are hardly worth the paper they are written on. The task must always be to reach verifiable agreements between the Warsaw Pact and NATO. Unfortunately, submarine violations show how little basis we have to depend on what the Soviet Union says about its peaceful intentions. For nobody will claim that a foreign power will undertake such aggression against another country's sovereignty without having clear military or intelligence goals. The Swedish submarine commission has also for its part concluded that operational preparations for war are taking place in the Swedish archipelago.

After the commission published its overwhelming material last month, several Swedish security policy and military experts concluded that the violations of Swedish territorial waters were not primarily war preparations directed against Sweden, but represent a preparatory phase in operational military planning directed against NATO. It is claimed that Sweden's coast, with its rocks and mountains, probably is an indirect training area for movements against Scotland and Norway.

Judgments of this nature raise a number of questions of importance, not only for national security in our Scandinavian country, but also for the so-called Nordic balance. How can this balance be maintained if Sweden is no longer the protective wall between East and West that we have relied upon? Is there need for further military arrangements in Norway and Denmark in peacetime? With its operations in Scandinavian waters, has the Soviet Union given us a provocation which will have a downgrading effect on the national security debate in the entire Nordic area?

9287

CSO: 3639/117

## PROBLEMS IN DEFENDING POPULATION IN NUCLEAR ATTACK AIRED

Helsinki SUOMEN KUVALEHTI in Finnish 22 Apr 83 pp 110-111

[Article by Helena Sormunen: "What To Do If War Breaks Out"]

[Text] In addition to the dangers of conventional warfare, there must be the capability of protecting the whole population from radioactive fallout also. This was demanded by the Civil Defense Committee.

But what does the average citizen know about civil defense? What has been done and what kind of plans are being made in the event of an emergency situation? Answers to these questions were given at civil defense courses.

The official document of the Helsinki Municipal Civil Defense Committee intended for the Housing Corporation arouses mixed feelings. It urges the compilation of a building civil defense plan based on an official form. It requests that a civil defense supervisor for each building be appointed and it is assumed that this individual will become familiar with his duties by means of special courses.

Why? Has the international situation become more tense? Or are we now implementing some old article that has remained accidentally in the statutes?

In any event someone must do something. I am sitting in a classroom carved into a cave with BBC's documentary on commotion and terror still on my mind.

## Civil Defense Is Not Part of Arms Race

Civil defense systems are being developed and maintained through the efforts of officials as well as voluntary civic organizations. In both quarters it is believed that in the event of the worst possible alternative or an extensive international crisis nuclear weapons would not be resorted to readily in the first place and, therefore, in the second place Finland would most likely only be threatened by fallout coming from outside our borders or by a stray weapon. However, it is also emphasized that readiness is not a portent of an accident according to the old saying and civil defense is not in any way in conflict with a desire for peace.

In normal times the average citizen is not obligated to participate in anything at all if he himself does not want to participate. Under so-called exceptional conditions officials can determine certain obligations for everyone in accordance with their abilities.

The Interior Ministry, under the jurisdiction of which civil defense affairs fall, assumes -- as does the law -- that in the event of necessity each citizen would on his own initiative, even if directed by officials, protect himself and his family, his neighbors, and his property. The articles of the civil defense law are interpreted at the local level in a quite different manner depending on, among other things, whether it is a question of a municipality with a dense population center, an important highway junction, and so on, or a surveillance area such as a sparsely populated municipality.

Helsinki is one of the areas requiring protection. Local stipulations presume that a civil defense supervisor will be appointed to buildings with a minimum of five housing units. He will be given basic training in his duties in a 9-hour course.

Over a reasonable period of time buildings in Helsinki must also be equipped with civil defense equipment, which will be primarily made up of fire and first aid equipment and the amount of such equipment will depend on the number of residents in the building. This equipment must be paid for by the residents themselves. A building with less than 50 residents can get by with less than 1,500 markkaa. A building with a couple hundred residents will have a considerably greater outlay.

The list for larger buildings includes, among other things, the so-called "crisis sensitive instrument" or a radiation dosage meter, which has been sold out several times on the world markets. Information (or perhaps even an intentionally fomented suspicion) has accelerated the sales of this instrument. Fear is a good salesman.

Now it appears that these meters are available.

#### Crisis Time Helsinki

If a crisis threatening world peace were to break out and Finland's officials were to so determine after considering the situation, civil defense would be placed in a state of readiness or in a state of intensified action. Part of the population of population centers would most likely be evacuated to the countryside. The plan according to which the residents of Helsinki would be moved to Savo is, however, still in the preparatory stage. The mapping of cellars in Kiuruvesi was made public prematurely.

Residents could voluntarily move out of the capital city even before evacuation notices are issued and thus they would be able to freely choose whether they would go to their own summer cabin, for example, or to the home of a country cousin. Once the evacuation notices are issued, one will no longer have any choice of destination.



In the event of exceptional conditions each family should procure for itself a food supply sufficient to last 2 weeks and citizens should constantly carry with them a 2-day ration of dried food.

Civil defense people say with a completely straight face that the evacuation of Helsinki would probably succeed in a time period equivalent to a normal weekend rush or residents who have made advance preparations could be evacuated from a densely populated area within 3 hours.

Hysteria would probably arise. If an evacuation is not accomplished -- and in any event some people would still remain in the city -- shelters would, of course, be needed. It is calculated that approximately 95 percent Helsinki's residents can be accommodated in the shelters. In addition to caves, subway stations, among other places, could be used.

Public shelters in Finland have not been constructed to withstand the impact of a nuclear explosion. Such shelters have been built in Sweden -- primarily to protect the operations of the most important industrial plants. In Finland the thinking is that even minimum shelter is better than none at all. The cellar of an apartment building would be better than the back yard.

During a crisis, Helsinki's civil defense personnel would be comprised of approximately 8,300 officials. The fire department would be increased five-fold, school teachers would become civil defense instructors in the shelters. Some of the medical personnel would be transferred to the three first aid hospitals, in which even minor operations would be performed. The necessary equipment is already in place. The blue buses would be converted into hospital vehicles.

The number and duties of voluntary civil defense personnel would depend on the situation. It is calculated that there would be 50,000 such people. Civil defense supervisors in buildings would pass on the instructions of officials to the residents and would supervise their implementation, and the shelters would need supervisors, first aid and fire-fighting teams.

Would It Be Safe in the Countryside?

But what would happen to residents in the countryside in the event of a crisis?

The activation of civil defense in in part connected with fire and rescue legislation that went into effect in the latter part of the 1970's. The measures prescribed by the law are being gradually implemented. No minute-by-minute readiness is possible and it is not worth-while to attempt it. Communications and location readiness has been continuous in the country. Even the orbit of the Cosmos satellite has been checked.

Of the 3 million Finns in densely populated areas, 2.3 million can be accommodated in public shelters. Temporary shelters would be used in sparsely populated areas and surveillance areas. Even in the countryside it would be easy

to build shelters against radiation and they should be built in order to improve our state of readiness. In certain cases there would be difficulties for people living in single-level wood houses without a celler, for example.

Outside of areas requiring special protection there is no need to build public shelters during normal times, but plans and material procurements are being made even there. Frequently, the fire chief performs the duties of a civil defense chief and the training given to local residents depends on, among other things, the activism of this individual as well as the local fire department board.

Funding, on the other hand, depends on the state budget. The municipalities should be able to receive low-interest loans from the state, but this obligation has not always been fulfilled. More important projects requiring funding have appeared each year.

Would We Come Out of a Crisis?

The movement of physicians opposing nuclear weapons has rather clearly stated on several occasions that the consequences of a nuclear war cannot be prevented by anything other than the prevention of nuclear war itself.

Also the civil defense people admit that their operational model has been developed under laboratory conditions. They proceed from the premise of a gradually decreasing utilization of public shelters: During the period of fallout the first 2 days would be spent in the shelters. On the third day people would take turns going home, then gradually people would even return to work, and after a couple weeks people would only sleep in the shelters.

The destructive effects of radioactive fallout causing radiation diseases would gradually disappear. However, they cannot be avoided in their entirety: leukemia will appear, and even small infections could become dangerous.

The hereditary effects would not disappear until after a 1000 years, if even then.

Officials assume that an air attack with conventional weapons -- more precisely aerial bombing -- would allow 5 minutes for Helsinki residents to find shelter. Nuclear fallout coming from outside our borders could most likely be predicted several hours before its arrival. Even then time would still be of the essence.

The worst catastrophe would be the accidental crashing of an airborne transport vehicle carrying nuclear weapons or a nuclear war beginning as the consequence of human error. It should be possible even in some way to protect Finnish citizens as signs of an international crisis become apparent.

No one nowhere imagines that the destruction caused by a nuclear catastrophe can be prevented or corrected. The superpowers, the developers of missiles and anti-missile systems, have not invented a means by which a nuclear cloud from an exploded nuclear bomb, for example, can be made safe before it descends to the earth.

I received a certificate after the 9-hour course and personal data on myself was filed in the civil defense archives along with files on approximately 5,000 other people trained over the years. After a year and a half I will receive a notice to report for a practical exercise course.

10576

CSO: 3617/113

## ACQUISITION BY ISRAELIS OF TAMPELLA MORTAR BECOMES ISSUE

Helsinki HELSINGIN SANOMAT in Finnish 19 Apr 83 p 24

[Article by Matti Klemola: "Secret Israeli Delivered Tampella Weapons in 1970's"]

[Text] Shlomo Zabłudowicz played a rather central role in the Finnish arms trade directed abroad. According to sources at HELSINGIN SANOMAT, Zabłudowicz acted as an international arms trading agent for Tampella during those years "when Tampella's directors and owners were reading the balance sheets of Sweden's Borfors with interest". This question deals with the latter part of the 1960's and the beginning of the 1970's.

Apparently, Zabłudowicz, who received Finnish citizenship at one time, was never actually in the official service of Tampella. However, the sources state that Zabłudowicz himself and the Salgad arms trading firm owned by him were the intermediaries between Tampella and the Soltam Weapons Plant operating in Haifa, Israel. The NEW YORK TIMES mentioned Zabłudowicz as the primary stockholder of Soltam.

In other words, Shlomo Zabłudowicz was that man who should have been found from Tampere's Tiiliruuki Street by all those investigating the Finnish arms trade at that time when Tampella vigorously denied its role as an international arms dealer -- or at least significantly underrated its role.

## YDIN Paper Exposed the Story

According to the information collected by HELSINGIN SANOMAT, Zabłudowicz came into Tampella's "service" around the middle of the 1960's or when the management and the owners of Tampella at that time saw an opening to the international arms trade markets.

The leftwing, radical and pacifist newspaper YDIN was the first to get wind of Tampella's intentions. In 1968 it published an article, in which an attempt was made to bring this arms trade to the light of day.

Tampella and Sulo Suorttanen, the defense minister at that time, categorically denied everything. The only tangible consequence was the inquiry of Pekka Peltola, the chief editor of YDIN at that time, conducted by the Security Police and the Central Criminal Police.

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120 mm Mortar in firing position



[Caption to photo at top of following page]



[Tampella's name continues to haunt the international arms trade advertisements. This advertisement was published a couple weeks ago in the INTERNATIONAL DEFENSE REVIEW. The grenade launcher in the photo is described as a "Tampella type". Salgad, which markets the weapon, is the unofficial arms trading agency owned by Shlomo Zabłudowicz.]

The only person who could of acted as an intermediary for these arms transactions alleged by YDIN was Zabłudowicz, who, however, was compelled to notice a few years later that his career as an arms dealer in Finland was becoming more difficult.

#### Tampella Disengages Itself

Tampella received a new managing director in 1973. Arms exports, which are strictly limited in Finland by legislation dating back to 1938, were now felt to be a great burden for a firm with an otherwise good reputation. The contract with Soltam in Israel (Sollel-Boneh-Tampella/Histadrut Contractor) was sold in 1974.

Because of the nature of the contract (licenses and so on), Tampella's disengagement lasted for a long time, however, until the end of the decade according to certain sources at HELSINGIN SANOMAT. This explains, among other things, the fact that the Finnish Epidem film group only recently found Tampella-made 60 mm grenade launchers in Guatemala in Central America. And even in the most recent issue of an international weapons publication, INTERNATIONAL DEFENSE REVIEW, there is an advertisement for grenade launchers of the Salgad firm, which is owned by Zabłudowicz. According to this advertisement, the weapons are of the "Tampella type".

It seems that the arms trade sticks like original sin: It is quite probable that Tampella's name will be used without concern even in the future even though this Tampere firm does not any longer have anything to do with these weapons popping up around the world.

As the arms trade began to decline, Zabłudowicz also began to make preparations to leave Finland. According to the files of the Tampere Police, Zabłudowicz moved to Israel in December 1975. According to two unrelated sources, Zabłudowicz occupied the house on Tiiliruuki Street in Tampere on occasion until 1977 or even until 1979. Now the owner of the house is one of the top executives at Tampella.

Zabłudowicz and Salgad were in the picture at least until 1976 when Tampella sold grenade launchers to the Swedish defense forces.

According to a document published in the Swedish evening newspaper EXPRESSEN in December 1977, the arms trade dealer was Salgad, the address of which was listed as Vadus, Liechtenstein. Also Tampella's money, approximately 1.9 million kronor or a full 1.5 million markkaa, was to be paid to Salgad via Liechtenstein and not Finland.

According to the Swedes, Tampella did not consent to any other arrangement since "the issue seemed to be exceptionally sensitive", noted the Swedish officials at that time to EXPRESSEN.

"No Full Confession Was Made"

Finnish trade records and corresponding archives do not have any information on Shlomo Zabłudowicz or Salgad. On the other hand, Zabłudowicz as well as Salgad are listed in the Tel Aviv telephone directory. In its newspaper advertisements Salgad states that it has offices in London as well as Copenhagen.

A Finn who knows Zabłudowicz very well stated that Zabłudowicz lives in Tel Aviv as well as elsewhere in Israel. According to another source, he also has "considerable property in Switzerland".

According to its own assurances, Tampella quit the international arms trade a long time ago. Instead, the firm is delivering weapons to Finland's defense forces.

According to a certain source at HELSINGIN SANOMAT, Tampella would have acted wisely if it had only made a "full confession" a long time ago or had openly told about its short-term career in the international arms trade. Only then would the ties between Tampella and the international arms trade, which became public, have been explained more appropriately.

10576

CSO: 3617/113

## ASSAULT RIFLE BY VALMET FINDING EXPORT SUCCESS

Helsinki HELSINGIN SANOMAT in Finnish 17 Apr 83 p 11

[Article: "New Assault Rifle Praised and Criticized"]

[Text] Among the newest Finnish weapons there has been little said in Finland itself about the short assault rifle manufactured at Valmet's Tourula Plant. On the other hand, the M82 has aroused interest in a couple journals devoted to international weapons technology, of which one, indeed, was not without reservations in its fascination with "our assault rifle".

A small number of the M82 rifles has already been manufactured. The model is still not in the use of our own defense forces, but it has, on the other hand, been sold to some degree in the United States. This export rifle is a semi-automatic sporting and hunting weapon -- at least officially. On the other hand, in looking at this latest innovation a type of hunting other than the usual comes to mind.

However, the weapon is being exported abroad just as other models of assault rifles.

Director Olli Kosonen of Valmet's Tourula Plant states that the M82 has been developed for "those who want a shorter weapon" than the normal assault rifle.

A shortened version of the assault rifle has been produced before in Tourula. This was the 7.62 caliber folding model. The folding model, "suitable for a violin case", is intended for paratroopers, among others, and "others operating under tight conditions". This model is also being used in Finland's defense forces.

The M82-assault rifle can be obtained in either the old 7.62 millimeter caliber or the modern 5.56 millimeter caliber. The practical firing speed is either 40 or 150 rounds per minute. The weapon is 71 centimeters long and it weighs approximately 4 kilograms.

## Tough Criticism

The international defense periodical, INTERNATIONAL DEFENSE REVIEW, has given four pages in its most recent issue to a presentation of the Finnish assault rifle.



## The Finnish Valmet 82 Assault Rifle

by Jacques Lenaerts

### Valmet's new M82 Assault Rifle

Author Jacques Lenaerts praises the M82's small and handy size, its accuracy, and its high manufacturing level. On the other hand, it is criticized for its right-handedness and the incorrect location of its center of gravity, the fact that it is heavy toward the butt, among other things.

Director Kosonen states that he is familiar with Lenaerts' article and admits that the new rifle is not suitable for a left-handed person. The weapons's belt mechanism is on the right side so that a left-handed person cannot put his cheek against it. Indeed, a change should be made even though Valmet has not yet considered it.

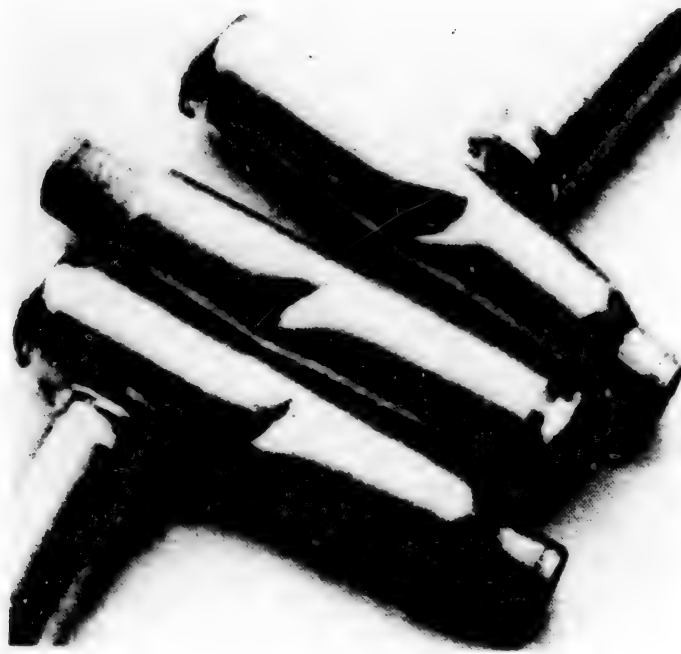
As far as being butt heavy is concerned, Kosonen is of the opinion that it is, to a great degree, a question of personal preference. "Contrary to Lenaerts' evaluation, Belgian experts, for example, praised the weapon for its center of gravity."

### Too Much Attention to Details

Director Kosonen reports that this new weapon has been tested primarily as a sporting weapon even though it is compared to military weapons. Resistance to impact, an operational necessity of central importance to military weapons, is the only evaluation that has not been conducted.

They also consider its left-handedness to be a deficiency as well as its imbalance. The fact that the barrel will creep up, particularly during automatic fire, the casings collapse as they come out, and the heads tear. However, the deficiencies in question are deficiencies that are easily eliminated and are not a factor in all new weapons.

Even though the M82 is not yet in the use of the defense forces, the weapon is not unknown there. Its outward appearance alone reminds soldiers of a



The INTERNATIONAL DEFENSE REVIEW complains in its article that the casings collapse, among other things.

couple of foreign assault rifles of similar size. France is presently equipping its own army with the FA-MAS 5.56 caliber assault rifle. Austria has nearly the same weapon, the STG-77, which was made for NATO's 7.6 x 45 cartridges.

The M82 is, however, developed from a well-known Finnish assault rifle, which in turn is the generational product of an earlier weapon. The defense forces chose it as a basic weapon for the infantry at the end of the 1950's to replace the old types of rifles, which were in part inherited from the last century.

The General Staff's competitive bid offer at the time produced more than ten different versions of the assault rifle, of which Valmet's model became the winner. The chief architect of the "Rynnari" was engineer Lasse Oksanen. When this weapon went into series production, Lieutenant General Pentti Vayrynen, who was a captain at that time, was also involved in the developmental work.

Copy of the Kalashnikov?

The rifle is based on the Russian Kalashnikov, model AK-47, as are many infantry weapons in many other countries. According to representatives of the defense forces, it is still not a question of a copy of the AK-47 even though "both weapons have certain traits in common".

Valmet's assault weapon has received international recognition, especially because of its good quality. It is, however, half again as expensive as,



for example, the Yugoslavian, Polish, and Czech Kalashnikovs on the world markets.

The Soviet AK-47 was developed by Mikhail Tomofeyevich Kalashnikov in 1946. At this time in the world there are 30 million AK-37's, probably even more. It is generally an infantry weapon, which has also achieved great popularity among rebels, terrorists, and liberation movement fighters. In addition to the Finns, many other countries have learned from this weapon.

For example, after the 6-day war the Israelis designed their own assault rifle, the Galil, which is even equipped with a bottle opener! The soldiers apparently broke too many Kalashnikovs, obtained as war booty, in attempting to open soft drink bottles with the cartridge holder.

The new AK-74 model of the Kalashnikovs is lighter than its predecessor and has a more effective firing speed. A noticeably light recoil, which is an undeniable advantage in using the weapon in critical situations, is characteristic of this weapon.

10576

CSO: 3617/113

## PRESS, ARMED FORCES CONCERNED OVER SUB INCURSIONS IN AREA

## Could Weaken Campaign Against NATO Missiles

Helsinki UUSI SUOMI in Finnish 29 Apr 83 p 2

[Editorial: "Submarines, Sweden and Finland"]

[Text] The official report that has been drafted of the investigation of the incidents that occurred last fall in the Stockholm Archipelago most unreservedly reaches the conclusion that the submarines that were moving about in the area were Soviet. No doubting voices have been heard either in the heated chorus of subsequent debate and comment.

The recurrent theme in these comments seems to be one of profound indignation, although that word is not used. The Swedes have now finally come to the conclusion that these constant sub incidents are not due to clumsy mistakes or course errors. They do not even bother to check to see whether the Swedes are aroused over the fact.

Thus in Sweden they feel that the country's islands have been deliberately selected as a suitable exercise area for superpower field tests in their arms race. The Soviet Navy is familiar with Swedish coastal waters and operates in them as it pleases.

Continuation of such incidents since last fall as well has heightened their indignation. Even then the Stockholm government clearly warned that sterner measures would be employed in future in sub hunts. Thus, in the opinion of the Swedes, Moscow is not taking them at their word.

This has, of course, led to agonizing deliberation over the credibility of Sweden's neutrality policy. It is based on reliance on the country's ability to defend itself, that is, both determination and capability keep foreign warships far away from the country's territorial waters. Therefore, they have begun to strengthen their coastal and antisubmarine defenses. The debate over which branch of the armed forces is to be allotted the necessary funds from its budget has already begun.

As a result of the report, Swedish-Soviet relations are now getting chillier than they have been for a long time. Considering the rules of diplomatic

language, the protest note dispatched to Moscow was particularly strong in the choice of words. The fact that the Soviet ambassador serving in Stockholm was summoned to discuss the matter with Prime Minister Olof Palme and not with the foreign affairs minister is also of symbolic significance in terms of diplomacy.

The Swedes believe — or at least hope — that the military experiences accumulated by the subs are not worth their political cost. In their opinion, the contents of the investigation report must mean a severe loss of prestige for Moscow in Europe, the neutral countries and the Third World countries in general. It will now be easier for NATO to bring its new missiles to Western Europe; after this development, opponents of that among the members of the organization in Denmark and Norway will perhaps remain silent.

Only a couple of years ago a report like this would almost have been viewed as a science-fiction fantasy. But now the report is having a significant effect on relations among the countries bordering on the Baltic, no matter what opinion they may have as to its truth. So it is a matter of how closely the real situation will affect Finland. Among other things, the long-pursued effort to achieve a nuclear-weapon-free Nordic zone has suffered a significant setback.

The case demonstrates that it would be well for all major powers, if only in their own interest, to respect the sovereignty of small countries. Nor, on the other hand, should indignation that is felt to be justified be permitted to lead to unnecessarily severe reactions that heighten world political tensions.

#### Moderate-CP Organ Cites Nordic 'Hysteria' Cited

Helsinki KANSAN UUTISET in Finnish 28 Apr 83 p 2

[Editorial]

[Text] Swedish military officials and the government have now decided — contrary to earlier predictions — to shift the blame for last fall's submarine incidents onto the shoulders of the Soviet Union. Judging from everything that has happened, with this action these officials are creating a dangerous basis for a negative change in the overall security policy climate.

The incident itself, the final truth about which will hardly ever be confirmed, should actually be reason enough to draw only one political conclusion: We have received a new demonstration of how dangerous the international arms race situation is. It also extends directly into the Baltic area. We know what an important role the Baltic area, which is located in the immediate proximity of the Soviet Union, plays in NATO's arms plans. A heightening of tension in this area will naturally affect Finland too.

A hysteria that attained absolutely enormous proportions was created in Sweden in connection with last fall's submarine controversy. Under its cover they tried to direct public opinion strongly against the Soviet Union. It is to be feared that this may happen this time too. They are trying to spread a

climate of hysteria throughout all the Nordic countries. In so doing, the Swedish Government's actions coincide — quite independently of the government's wishes — directly with NATO's objectives of more resolute forces.

In its own national interests, Finland must do everything it can to keep the situation from coming to a head in the Nordic area. The most effective way of achieving this is to promote an initiative for a nuclear-weapon-free Nordic zone.

#### Defense Minister Glosses Over Seriousness

Helsinki UUSI SUOMI in Finnish 29 Apr 83 p 3

[Article: "Norwegian Television Interprets Saukkonen: Finland Condemns Territorial Violations"]

[Text] Defense Minister Juhani Saukkonen (Center Party) has once again been subjected to a little pressure because of his foreign policy statements. The Nordic Defense Ministers Conference just happened to be meeting in Bergen, Norway, at the moment of publication of the Swedish submarine report and Saukkonen had to comment on the matter at a press conference.

According to UUSI SUOMI Oslo correspondent Ritva Pesola, Saukkonen's replies are in themselves very glossed-over judgments. However, the statement he made on Norwegian television was interpreted as a rather clear condemnation of the Soviet Union.

Saukkonen was held accountable for the statements he made last winter when he commented on the NATO commander's underestimation of Finland's determination and ability to defend its territory. President Mauno Koivisto at that time took a swipe at Saukkonen in the hope that he would not express an opinion on such matters at just any old time of the day. Saukkonen took a stand for the morning news on the radio and at the same time for the afternoon newspapers.

On the Norwegian television news they reported that in Bergen Saukkonen had commented on the Swedish submarine report as follows:

"Since international law says that no country has the right to violate another country's territory, Finland cannot condone a violation like the one that occurred in Sweden."

Saukkonen says that he treated the matter from the standpoint of international law. He maintains that he specifically emphasized that he did not want to comment on the Swedish submarine report because he had not familiarized himself with the circumstances, nor had the government discussed the matter.

The official discussion at the Nordic Defense Ministers Conference revolved about UN cooperation in the safeguarding of peace.

The press conference, however, revolved entirely about the sub incident.

## Commander Backs Domestic Anti-Submarine Weapons

Helsinki UUSI SUOMI in Finnish 5 May 83 p 2

[Article: "'Swedish Incidents Becoming More Common'; Finland Steps Up Sea Surveillance"]

[Text] Finland is not just following the violations of territorial waters by submarines that are more commonly occurring with its arms folded. The development of a whole territorial waters surveillance system is in progress in the armed forces.

"The minisubs are not the real reason for the development of such systems; work on them was begun even before these incidents were made public," Navy commander, Vice Adm Jan Klenberg, said.

He, nevertheless, admitted that the submarine report drafted in Sweden has aroused current interest in the matter here too.

Klenberg did not want to provide any details on national defense arrangements, but he did describe the innovations as a technological development and expansion of the system.

"As a neutral country, Finland does not engage in cooperation with any country to develop its defense system," Klenberg reminded us.

"In some cases, to be sure, we procure equipment from abroad, but what is involved now is a system to be developed in Finland," Klenberg said.

## Budget Provides for Anti-Sub Weapons

Helsinki HELSINGIN SANOMAT in Finnish 14 May 83 p 8

[Text] Finland is tightening submarine surveillance in its territorial waters by procuring new underwater surveillance and search equipment worth 15 million markkas. The equipment to be procured probably consists of listening and sonar devices which will be located at coastal surveillance stations and on board ships. The new devices will be installed within the next few years.

The authority and money to procure this equipment will be granted in the nation's first supplementary budget for this year, which the government sent to Parliament on Friday to be discussed.

The final amount of the supplementary budget will come to 1.273 billion markkas, or nearly 1.3 billion.

Authority will also be granted in the supplementary budget to order 23 diesel locomotives for the State Railways. The railways will be getting an entirely new type of diesel locomotive which is now being designed. The locomotives will probably be built jointly by Valmetti and Wartsila. Two prototype locomotives will be built in 1985 and 1986 and the remaining 21 from 1987 through



1991. All told over 200 million markkas will go into locomotive procurements.

#### Heli-Rata Shelved

In the supplementary budget 200,000 markkas will be appropriated to complete the plans for the new rail line, or so-called Heli-Rata, under consideration from Helsinki to the east. Once the Helsinki-Kouvola alternative has been investigated, "we intend to concentrate on additional measures aimed at building or planning the line," they say in the supplementary budget.

"As things look now, there will be neither any need for building the line nor will it be economically feasible for the next few decades," the government says.

#### Train Tickets Will Be More Expensive

Increased government expenditures will be covered by taking out an additional loan of another billion, that is, 1.09 billion markkas. Money will also be collected by raising train ticket prices more than had been planned before. At the beginning of July rail passenger ticket prices will go up 10 percent, whereas the hike was supposed to have been only 5 percent.

Two taxes will also be increased: At the beginning of July the coal-processing tax will rise by 8.40 markkas a ton and the feed mixture tax as early as Sunday. These taxes will also raise coal and feed prices. The price of coal will go up about 2 percent. Feed mixture prices will rise by an average 2.9 percent.

The Finance Ministry had also planned to raise the interest rate on certain old ARAVA [State Housing Construction Commission] loans, but the proposal was not approved in the government.

#### VAPO Not Yet to Become a State Enterprise

In connection with the supplementary budget, a plan was also to be put into effect to transform the National Fuel Center into a state majority-owned company, VAPO Oy, but the proposal was deleted from the supplementary budget at the last moment. New Commerce and Industry Minister Seppo Lindblom (Social Democrat) did not have time to sufficiently familiarize himself with his predecessor Esko Ollila's (Center Party) plans.

The supplementary budget grants an 8-million-markka subsidy for Valvilla's interest expenses out of tax funds. The subsidy has to do with the shoring up of Valvilla. As for Rautaruukki, it has been granted an interest subsidy to begin rail car production. We have been informed that there will be 1,100 permanent new jobs.

The increase in child subsidies that went into effect at the start of April will swallow 300 million from the supplementary budget and the marketing and equalization of farm production about the same amount. Two hundred million markkas will go toward funding additional national debt servicing expenses, the supplementary work program, patching up changes in currency exchange rates and different kinds of Army expenditures.

They will begin to try out new ways of reducing long-term unemployment. Private employers will be reimbursed for additional expenses incurred in providing unemployed workers with job experience, job training and other similar services. The government will issue more specific directives later.

An architect contest will be organized for [the designing of] the president's new official residence. A half a million has been set aside for this in the supplementary budget. Headed by ex-Foreign Affairs Minister Par Stenback (Swedish People's Party), the Committee for Economic Relations with the Industrialized Countries will get a new first secretary in August and the OPEC conference to be held in Helsinki this summer will cost the Finns 2 million. As for the United Nations, it will be given a Finnish work of art worth 200,000 markkas.

#### More Security Men

More people are still needed for the investigation of economic crimes. The Central Criminal Police will get a crime inspector and the Helsinki District Attorney's Office will receive more temporary prosecuting staff.

SUOPO's [Security Police] security duties have increased to such an extent that the bureau will be getting five new chief detectives. The police will also get more "security surveillance devices" costing nearly a million markkas. New equipment to replace returned equipment will be procured for the Kemi Police to the tune of 250,000 markkas.

11,466  
CSO: 3617/121

## MIXED U.S., FRENCH FIGHTER PLANES PURCHASE PLANNED

Athens I KATHIMERINI in Greek 3 May 83 p 1

Excerpt The Government Council of National Defense KYSEA is meeting today. It is possible that it may decide the purchase of 100 military aircraft and the final arrangements for the question of the U.S. bases. The purchase of the aircraft will seal the government's pro-western orientation according to the assessment of political circles. It appears that the preferred type is the F-16 (1983 make) which are considered to be the best in the world. Next in the government's preference are the French Mirage 2000, although it is said that there may be a shortage of spare parts for these planes in time of high demand.

The government spokesman said yesterday that KYSEA, which includes Premier A. Papandreou and Ministers to the Premier Ag. Koutsogiorgas, Foreign Affairs I. Kharalambopoulos and Deputy Ministers of Foreign Affairs K. Papoulias and I. Kapsis and Defense An. Orosogiannis and P. Zakolikos, will meet at 7PM. He did not explain if the chiefs of the three services will take part. The government's decision for the purchase of 100 military planes concerns the arming of our air force for the next decade and is the largest mass purchase of arms in our country's postwar history.

According to political observers, the purchase will complete the government's pro-western orientation. With regard to the question of the bases, the difference of opinion between the Greek and the U.S. governments is very small in spite of the verbal tension the government raised at the beginning of last week.

The decision for the purchase of the military planes is regarded by diplomatic observers as a friendly gesture of a government to the country from which it will procure these super weapons. This is because the procurement of a specific type of plane ties the country's air force to the purchase of spare parts in a time of crisis.

According to the same sources the Greek government has ruled out the purchase of American F-18's which have shown some operational malfunctioning, and of the European Tornado. So, the only type left is the F-16 which is the most preferred, and the Mirage 2000. The decision will deal either with only one

type of aircraft, which has the advantage of uniformity in spare parts and in maintenance, or in dividing the order between two types thus giving the government the opportunity for political choices.

It is also reported that the purchase of any type of aircraft is accompanied by offers for the joint production of certain accessories and spare parts or even investments in the country by the enterprises which produce the aircraft.

7520

CSO: 3521/291

## DETAILS ON COST OF CONTEX NAVAL MANEUVERS GIVEN

Lisbon DIARIO DE NOTICIAS in Portuguese 18 Apr 83 p 3

[Article: "Contex Maneuvers Cost 100,000 Contos; 'Electronic Warfare' Simulated"]

[Excerpts] "Contex 832"--the large-scale naval maneuvers of the Portuguese Navy that took place during the past 11 days off the coasts of Portugal--cost in excess of 100,000 contos.

The exercises were initiated on 5 April and concluded last Saturday; they involved a total of 20 ships (half of which were Portuguese), two submarines (also of our navy), a number of "Fiat A7-P Corsair" and "C-13" aircraft, and one Dutch sea patrol aircraft.

More than half of this expense represents the fuel expended by the four frigates, two corvettes, two submarines, one support vessel, and one mine-sweeper of the Portuguese Navy.

No precise figures concerning the sums expended on the maneuvers were provided, but NP has learned that the ship regarded as the "most economical"--the corvette "Oliveira e Carmo"--consumed an average of 600 liters of diesel oil per hour of navigation.

On this ship--which is also the newest in the Portuguese Navy (it went into service in 1975)--the consumption of diesel oil at a maximum speed of 23 knots approximates 1,200 liters per hour. Consumption on the frigates of the French model which are equipped with gas turbines is "substantially greater," according to a navy source.

The crews of the Portuguese ships--1,400 men in all--carried out antisubmarine detection and attack maneuvers, with the participation of the only two submarines of the Portuguese Navy that are currently operational: the "Barracuda" and the "Albacora."

The operators of the sonar, radar and telecommunications systems of the Portuguese naval vessels were obliged at times to resort to improvisation in an attempt to minimize the advantages enjoyed by the foreign vessels in respect to more modern and powerful equipment.



## Missiles

Despite the fact that the units of the Portuguese Navy are equipped only with conventional armament, they succeeded--during the maneuvers--in "firing" long-range missiles by means of a simulation of the firing within the framework of the so-called "electronic warfare."

On two occasions the corvette "Oliveira e Carmo" towed a target used for training the pilots of "Fiat" and "A7-P" aircraft of the Air Force, which carried out attacks using "rockets" and 20-millimeter machine guns.

In the course of the final attack, the target was hit by a burst of machine-gun fire and completely disabled.

The ships also carried out training exercises in the tracking of aircraft by means of fire control radar, including several firings of 100,000-meter guns upon a target towed by the minesweeper "Ribeira Grande."

One of the shots hit the target, forcing the cancellation of further maneuvers employing actual fire.

The Navy tanker "Sao Gabriel" carried out several refueling operations at sea, with the ships in question navigating approximately 20 meters apart at a speed of 10 knots.

10992

CSC: 3542/114

## SAAB TO ACQUIRE FIRST 'SUPER-FAST' COMPUTER FOR JAS PROJECT

Stockholm DAGENS NYHETER in Swedish 6 Apr 83 p 12

[Article by Eric Dyring]

[Text] Saab's aeronautics division in Linkoping will be the first firm in the Nordic countries to purchase a super-fast computer. Last week a contract was signed for the purchase of a Cray 1 computer for delivery this fall.

The JAS project requires a computer that operates 50 times faster than an ordinary large computer for technical calculations. The new computer will cost 30 million kronor.

Large, fast computers are required for aircraft design today. The shape and aerodynamics of aircraft are computed through endless calculations. The faster the computer, the sooner the design work may be completed.

The super-computers are specialists in rapid calculations. They are the "race cars" of computer technology, constructed in a completely different manner than ordinary computers. The calculations occur in a different sequence.

Speed can be obtained in various ways. In the computer that Saab now has contracted to purchase, it is accomplished by so-called vector algebra. This makes the new computer 50 times faster than an ordinary large computer for technical calculations.

Saab is purchasing a Cray 1 from the American firm Cray International. It has specialized in super-computers and its only real competitor is CDS's Cypern 205.

The JAS project was the motivating factor behind the purchase. This project requires a super-computer in order to be completed. The two fast computers Saab purchased just 2 years ago are insufficient. Saab also plans to use the new computer for computer-assisted design--CAD/CAM.

The Cray 1 will cost Saab about 30 million kronor. Since the company cannot utilize the full capacity of the computer, it hopes to sell machine time to other users. The National Aeronautical Research Institute and the Defense

Research Institute, as well as researchers at universities and technological institutes, have expressed interest.

The Natural Science Research Council (NFR) has appointed a committee to study the need for extra-fast computers. The committee is under the leadership of Prof Tord Ganelius of the Royal Academy of Sciences. The committee is now completing its work.

The committee contacted Saab before Saab purchased the Cray 1. Now it is off to a flying start.

NFR has asked its secretary, Prof Ingvar Lindqvist, to negotiate with Saab on the use of the Cray 1 for research.

#### First In Nordic Countries

The council told DAGENS NYHETER that it hoped to reach an agreement in the near future. It also hopes that Linkoping University will receive some sort of priority.

The administrative head of Saab's aeronautics division said:

"We hope to reach an agreement with NFR."

The Cray 1 may be used for a number of research tasks. These include nuclear physics and meteorological calculations. Long-term weather predictions are a typical task for a super-computer.

The new computer will be operating in Linkoping as early as this fall. It will be the first in any Nordic country. Today there are only five such computers in Europe.

9336

CSO: 3650/159

## COAST GUARD OFFICER DESCRIBES EFFORT TO FIND INTRUDING SUB

Stockholm EXPRESSEN in Swedish 23 Mar 83 pp 1, 6-8

[Article by Ulf Persson]

[Text] At 12:15 yesterday coast guard captain Sven Nilsson on board the TV 105 detected a foreign object with his sonar.

At the same time, the picture of a submarine appeared on the echograph of the coast guard vessel.

Today EXPRESSEN is publishing this picture. Just above the sea bed an oblong object, a submarine, is clearly visible.

At 12:15 yesterday, coast guard captain Sven Nilsson received the surprise of his life.

At the same time the characteristic "ping" could be heard on the sonar, the picture of a foreign submarine appeared on the echograph of the coast guard vessel.

Five hours after everyone believed it had escaped to sea, the submarine was surprised near the secret mine fields in Danziger Gatt.

For Captain Nilsson and his crew it was almost too good to be true.

At about 9 o'clock they were informed that the foreign submarine had been spotted near Malsten in Mysingen.

"At that time we were up around Sandhamn, several hours away from the area where the submarine was sighted," Sven Nilsson said.

## Picture Appeared

At about 11 o'clock Captain Nilsson arrived at Danziger Gatt on board the TV 105.

"We began searching with all available means: sonar, echograph, and radar, to

see if the submarine would dare surface again."

At 12:15, after 1 hour of searching, the sonar operator called out. He had a sure indication--the Doppler effect could be heard in his earphones. At the same time, the picture published today by EXPRESSEN appeared on the echograph. Above the sea bed an oblong object could be seen clearly. It was a submarine!

"The 'picture' was extremely clear, both in the sonar and on the echogram," Sven Nilsson said. "We immediately suspected that it was a submarine."

TV 105 reported the sighting directly to the command post at the Musko base. The report was received with great surprise. At 7:00 am the foreign submarine headed southward in the channel past Malsten.

Were There Two Submarines?

Five hours later, contact again was made on the other side of Malsten.

Were there two submarines in the area?

Or had the first submarine rounded Malsten and entered the shallow waters near the mine fields in Danziger Gatt?

"It may have stopped there until things calmed down," Sven Nilsson said. "After all, we had our boats and helicopters out during the morning. The submarine knew it was being chased."

It is not easy for a submarine to escape to sea at top speed if helicopters and reconnaissance ships are on its trail.

Captain Sven Nilsson said:

"The faster the submarine moves, the easier it is to hear on our sonar equipment. And it cannot race away at any 30 knots, either, since it is much too shallow here."

The navy probably is hunting two foreign submarines in the waters around Malsten at the inlet to Mysingen.

This conclusion was shared by several members of the search team early this morning.

At that time, most of the reconnaissance was centered around Danziger Gatt.

The navy and coast guard made contact on both sides of Malsten.

The first contact was in the western channel at about 7:00 am today. It was there that two civilian employees at military facilities on Malsten sounded the alarm.



"We saw a submarine."

The two men had seen the tower of a submarine moving through the channel, toward the open sea.

When the navy had begun its search throughout southern Mysingen and in the waters off Malsten, the second alarm was sounded.

This time it came from the coast guard ship TV 105. This time it was in the eastern, much shallower, channel called Danziger Gatt.

#### Could Not Escape Undiscovered

In addition to sound contact with Doppler equipment, a submarine was registered by echo sound.

EXPRESSEN learned that the navy made sonar contact on several occasions in the same area.

Last night most of the search was centered around Danziger Gatt.

The channel through Danziger Gatt is extremely shallow. In some places it is no more than 20 meters deep. A passing submarine cannot escape undiscovered through this channel. It must give itself away.

Experts with whom EXPRESSEN spoke last night believed that two submarines probably were or had been in Swedish waters.

They pointed to the fact that the submarine observed in the Western channel in the morning hardly would have been dumb enough to enter the eastern channel once the hunt was underway.

After all, once it passed through the western channel it had open sea in front of it.

This idea also is supported by the experience gained by the navy from submarine hunts during the past 2 years: a foreign submarine never operates alone. At least two, sometimes three or four, participate in each operation.

The navy received no new tips this morning.

#### Prevent Flight Behind Ferry

The Gotland ferry Visby, which left Nynashamn at midnight, was followed out to the open sea. Both radar and the magnetic loops on the sea bed were used to watch over the Visby. The navy wanted to prevent the foreign submarine from fleeing in the wake of the large Gotland ferry.

At the Musko base the leaders of the operation worked throughout the night.

All the major decisions were made at the defense staff in Stockholm.

A special command under the leadership of defense staff chief Bror Stefenson was at the defense staff and had overall responsibility for the search.

At the same time, the defense staff chief was in contact with commander in chief Lennart Ijung and various political leaders.

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CSO: 3650/162

## GREENLAND PRIME MINISTER COMPLAINS OF EC FISH QUOTAS

Godthaab GRONLANDSPOSTEN in Danish 27 Apr 83 p 4

[Text] "The quotas set by the EC Commission are an insult to the people of Greenland," said government leader Jonathan Motzfeldt.

The 1983 quotas set by the EC Commission, which allow West Germany and Great Britain to catch 10,000 and 3,000 tons of cod respectively off the coast of West Greenland, among other things, led to very sharp reactions by the Greenland government last week.

Government leader Jonathan Motzfeldt called it a totally unacceptable situation and an insult to the people of Greenland and the efforts that have been made to preserve the only resource on which the country can base its future.

The prime minister also said that he felt the Danish government must now seriously consider whether to use its veto power in connection with these negotiations. If so, this must be done before the EC ministers of fishery meet next month to take a stand on the commission's proposal.

But it has been established that West Germany has already caught around half of the 10,000 tons the commission intends to allot to that country. That had happened by the time the last West German trawlers left Greenland waters at the end of last month after having fished for the cod that Foreign Minister Uffe Ellemann-Jensen gave them. The question now is whether the Danish government can succeed in halting further foreign fishing.

## Unfortunate Move

In a statement from the Greenland affairs minister concerning the EC Commission's proposal, the minister said last Thursday:

"I have been presented with some preliminary reports on what the EC Commission's proposal for the 1983 Fishing Ordinance will involve for Greenland, but I must inform you that the Greenland Affairs Ministry has not

yet received the commission's official plan, for which reason it is not possible to issue an official comment.

"The reports seem to indicate that to a large extent the commission has based its proposal for Greenland on the same premises on which the commission's original quota and tac [expansion unknown] proposal for 1982 was based. If that is the case, there is no doubt that the proposal will run into bitter opposition in Greenland and the people of Greenland may regard the commission's proposal as a 'punitive expedition' in connection with Greenland's desire to withdraw from EC.

"There should be no doubt that I will regard such a move on the part of the commission as extremely unfortunate and harmful not only to Greenland's fishery but also to future relations between Greenland and EC and that I will do my utmost to support the Greenland viewpoints," concluded the statement from Greenland Affairs Minister Tom Hoyem.

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CSO: 3613/112

## GREENLAND PAPER CITES DANISH HELP ON EC COD QUOTA PROTEST

Godthaab GRONLANDSPOSTEN in Danish 27 Apr 83 p 2

[Editorial: "Agreement Between Greenland and Denmark"]

[Text] Greenland and Denmark have both reacted strongly against the EC Commission's decision to increase the cod quotas off Greenland by 13,000 tons which will go to West German and English fishermen. The head of the Greenland government and the minister of Greenland affairs sharply criticized the decision. The minister of Greenland affairs said the decision would strain Greenland-Danish relations.

But other responsible Danish politicians have also come to Greenland's defense and have called the attention of the EC Commission to the blunder it made in acting contrary to the convictions of Danish experts. The EC Commission made its decision by going over the head of EC Commissioner Poul Dalsager. Now he will complain to the chairman of the commission, Gaston Thorn, and demand that the matter be taken up for discussion again.

This time Foreign Minister Uffe Elleman-Jensen is wholly on Greenland's side. At present he is traveling in Europe to speak on behalf of Greenland in connection with its withdrawal from the association. In a speech to the EC Commission on Monday he said that the commission's decision is inconsistent with earlier fishing agreements and that it will create a wave of anger in Greenland and make Greenland's affiliation with EC more difficult after its withdrawal.

The foreign minister's statement is in line with government member Lars Emil Johansen's words that EC should not forget that there are many other nations interested in acquiring fishing rights off the Greenland coast.

In Greenland we have no doubt that Denmark will do everything it can to overturn the EC Commission's decision. It is good to be able to note this kind of agreement. This sort of thing strengthens the bonds of fellowship that have existed between Greenland and Denmark for more than 250 years.

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CSO: 3613/112

## LENGAGNE PRESENTS MEASURES FOR REDUCING MARITIME TRADE DEFICIT

Paris LES ECHOS in French 14 Apr 83 p 6

[Text] The secretary of State at the Ministry of Transportation in charge of Maritime Affairs, Guy Lengagne, made a presentation to the Council of Ministers on the policy of reducing the external deficit in the sector of maritime property and services.

This trade deficit (Fr 10 billion in 1982) is not insurmountable, thanks to France's position in maritime affairs, the quality and dimensions of its fleet, recalled Max Gallo, a government spokesman.

Gallo stipulated specifically that currently 62 percent of the tonnage imported to France are imported by sea, whereas the Renault company exports only 30 percent on French ships and Pechiney Ugine Kuhlmann only calls on foreign ships for its exports.

To remedy this deficit, the following orientations have been decided upon:

--pursuit of the multi-year program for renewing and modernizing the fishing fleet, both private and semi-industrial and industrial.

--policy of development in freezing, canning and transformation of ocean products,

--support for the development of marine farming,

--extension, in principle, beyond 31 December 1983 of aid to the commercial fleet implemented in the framework of the plan for consolidation for the years 1982-1983,

--development of French activities apt to contribute, by export of technology equipment or services, to the exploitation of the so-called 200 mile zone in which they have exclusive economic competence.

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CSO: 3519/445



## RESPONSIBILITIES OF SECRETARY OF STATE FOR MARITIME AFFAIRS

Paris LES ECHOS in French 6 Apr 83 pp 10-11

[Article by Gilles Bridier: "The Sea: The Powers of a Ministry in a State Secretariat"]

[Text] For Guy Lengagne, secretary of state at the Ministry of Transportation, in charge of Maritime Affairs, the situation is clear between Charles Fiterman, his head minister, and himself. And, although the Ministry of Maritime Affairs disappeared at the time of the latest cabinet regrouping, the instrument implemented in May 1981 by Louis Le Pensec will not be altered. Charles Fiterman had, moreover, promised that nothing would change so that the coherence and effectiveness of the policy to be carried out in the maritime sector would be safeguarded. In fact, it appears that it emerges undamaged from the cabinet reshuffling although doubts crept in for a moment.

Before accepting his new duties, Guy Lengagne, Socialist deputy mayor of Boulogne and Maritime delegate at the PS, had insisted on clarifying matters in order to preserve the entity of the secretariat of State that had been proposed to him, which could be interpreted as an expression of a problem between a Communist minister and a Socialist secretary of State. "I would have acted in the same way towards my political friends," Guy Lengagne indicated during his first press conference.

In fact, as early as last Wednesday, Charles Fiterman had signed the decree that appeared in the 2 April JOURNAL OFFICIEL that stipulates the responsibilities of the new secretary of State, delegated by either the Ministry of Transportation (for all questions related to the merchant marine and ocean ports) or directly from the prime minister (for the interministerial mission on the Sea and the presidency of the interministerial committee), all of which gives Guy Lengagne powers that are practically identical to those of Louis Le Pensec.

The same responsibilities...to continue the effort undertaken under the ministry of Louis Le Pensec. Moreover, Guy Lengagne has not modified, "at least at first," the composition of his office staff. However, Gilbert Roubac has become director of this staff and Michel Carlier, a collaborator of Guy Lengagne at the Boulogne mayor's office, has been added to take charge of relations with the European Parliament.

Several primary objectives have been defined for continuity among priorities-- the struggle for employment, both in the fleet in the shipyards or in the ports: finish the reform on the reduction of sailors' working time, attract new [ship] building orders (secret negotiations are reportedly underway and could soon end, but the domestic market for fishing boats also must be reconquered), accelerate democratization and decentralization of port life to make the ports more competitive in the face of lower traffic. There remains the problem of excess capacity in transportation, that the French oil fleet is now going through sadly with its four unused supertankers which Guy Lengagne currently prefers to have available without disarming them (whereas certain opinions favor disarmament, at least the 550,000 ton "Prairial" docked in the Brest harbor.)

Other priorities: the merger of CNEXO [National Center for the Exploitation of the Sea] and ISTPM [Scientific and Technical Institute for Ocean Fishing] to accentuate the oceanological research effort, emphasizing safety at sea for fishermen and sailors in the commercial fleet, but intervening as well with pleasure boaters by appealing to their responsibility. The improvement of external exchanges, both in the area of maritime products and in that of maritime transportation, is also part of the objectives that should be priorities in the IXth Plan.

The same objectives remain open. Guy Lengagne is familiar with them. But while he is under the sign of continuity, current conditions too were bad and are not getting better, which makes objectives such as putting lots of French flag ships back into international traffic very hypothetical.

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June 8, 1983